State Department Foreign Assistance Authorization.

The bill was ordered reported by the Committee on International Relations on Monday of this week, and the report is expected to be filed tomorrow night according to the last unanimous-consent request. The House is expected to begin debate and the amendment process next Tuesday. The rule will likely require that amendments be preprinted in the amendment section of the CONGRESSIONAL RECORD prior to their consideration.

Members should use the Office of Legislative Counsel to ensure their amendments are properly drafted to the amendment in the nature of a substitute recommended by the Committee on International Relations that will be made as base text for amendment purposes. A copy of the committee amendment in the nature of a substitute will be published in today's CONGRESSIONAL RECORD by the gentleman from New York [Mr. GILMAN], the chairman of the committee, for reference and drafting purposes. It will be available at the offices of the committee.

Since the rule will not be structured as far as the limiting of amendments is concerned, there is no need for Members to file their amendments with the Committee on Rules or to testify before us. If Members have any questions, they can contact Dave Lonie in our Committee on Rules at 57985.

Mr. SOLOMON. I yield to the gentleman from Minnesota.

Mr. SABO. The reason I ask, 2 years ago, we had a little disconnect. One side was on JEC for a period of time, and the other side was not. So the plan this year is the first hour would be budget debate, the second hour JEC debate, and then hours three through six general debate on the budget resolution.

Mr. SOLOMON. That is the normal procedure. It is what we have followed in the past. We will follow it this year as well.

Mr. SABO. The reason I ask, 2 years ago, we had a little disconnect. One side was on JEC for a period of time, and the other side was not. So the plan this year is the first hour would be budget debate, the second hour JEC debate, and then hours three through six general debate on the budget resolution.

Mr. SOLOMON. The chairman of the Committee on the Budget is nodding his head yes, that is correct.
Mr. PARKER], has said that we need to balance the budget to save the next generation, to provide for growth in our economy, for opportunity in America, and to preserve the greatest American legacy, and that is that your kids will be better off than you are.

You know what else it is about? It is about the pendulum. People try to describe this plan as radical. Let me actually tell you about the pendulum. For the last 20, 30, or 40 years, we have been on one side of the pendulum. We have spent more than we have received. If you are going to go to $1.8 trillion, the system goes bankrupt. What are we going to do is dramatically increase it, improve it, guarantee high customer satisfaction, and guarantee choice to our senior citizens.

So my colleagues, the question is, can we restrain ourselves, can we as Americans, want to mortgage the next generation, after all, we would not in our private lives ring up all the debt and pass it onto our kids, we should not do it with our country. If we can just grow at a $9.4 to $11.9 trillion increase, we can do it.

Let me just say to all of my colleagues, as I am about to close, you have got to examine your conscience. You have got to examine your conscience, because I am going to tell you, folks, there are things called windows of opportunity and we have it now. Why? Because the American people want this done. Why else? Because we have the leadership in the Congress that is willing to put their careers on the line for the next generation. How can we get the two, how can we get the two together so that we have a plan that will guarantee a renewed America?

In 1969, the last year that we balanced the budget in America, Neil Armstrong walked on the moon. Neil Armstrong came to this Chamber and presented this flag to the U.S. House of Representatives and the U.S. Senate in a joint session. One thousand nine hundred sixty-nine was the last year we balanced the budget. Walking on the moon for a kid from Ohio meant that Neil Armstrong really did learn to fly. And that day that he walked on the moon, we were all there with him, were we not? We were all there with him because it represented the hopes and the dreams and the goodness and meeting the challenges that America has been all about for these many 200 years.

Neil Armstrong gave us this flag. Today, 26 years later, we have a chance, when we vote on this resolution, to have one very big step for this House and one very giant leap for America. Pass the resolution.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, members of the committee, first let me congratulate, as I did in committee, my colleague from Ohio. We are both participants and observers of this process. I congratulate him for getting the Republicans on the Committee on the Budget together. I assume when the 2 days of debate are over, he will have the votes and he will pass his resolution, which has required an exceptional amount or work by himself and the other majority members of the committee.

I have some fundamental disagreements with that resolution, but I watch your discipline and your hard work with admiration. So I congratulate you for putting a product together that is before this House today and really providing us an opportunity for some very fundamental debate.

However, let me make one observation as an observer before I say some words as a critic. The question is whether your plan will achieve its stated goal. Let me simply say that we are not quarrelling over a few numbers here and there, and we might find some that we might dispute. But I, frankly, think for you to succeed requires a significant amount of luck.

I think if this were a unicameral body of the Congress and this were the final product, it simply would not succeed. There are some things you have put into place and have put into law already. Your beginning assumption has been a big tax cut, which adds roughly $90 billion to the deficit in the year 2002.

You assume as a separate vote that you are going to make huge cuts in Medicare in a separate vote removed from the balance of the budget to come in September.

My friends, if that bill were before this House with those kinds of cuts in Medicare, with the numbers in your resolution, I would predict that such a bill would not pass. The numbers are sort of interesting. The tax cut is $90 billion in the year 2002. The projected Medicare cuts are $85 billion. If that did not succeed, a whole series of other numbers that you use would come unraveled.

Mr. Chairman, that is merely an observation about the plan that is before us today. It would require significant luck to succeed. But that is not my fundamental objection.

Mr. Chairman, we have had two very fundamental things occur over the last 15-20 years in this country. For the last 20 years, we have had a revolution where income flows in this country. The very rich have gotten much richer, and the rest of the American public, who work hard, working families are struggling to get ahead, many with declining income.

We have also had, since 1983, an escalating Federal deficit. Two years ago, the President's program to make a significant dent in that deficit. Part of that program was asking the most affluent to pay a little more, and our Republican friends all said no. They all said if we passed that program, we would throw the country into a recession. The opposite happened. We have had unprecedented growth over the last 2 years. Unemployment is down. The economy is growing. The deficit went down.

But more is left to do, and we come to that now in this year 1995. Again, we have to reduce that deficit, but we face, again, a country where income continues to flow in increasing amounts to a very few and the bulk of the American people are left struggling.

We now have the Republican proposal on how to deal with the deficit. Who is asked to sacrifice? It is clear that people who depend on Medicare and Medicaid will be asked to sacrifice. And then in a series of incredible, numerous decisions, struggling Americans, who are working hard, working Americans, find their chances to move ahead, they will
find those doors sometimes slammed shut; other cases, sort of gradually closed in a series of cut, after cut, after cut, whether it is students trying to go on to college, people seeking to get new training for jobs and retraining, whether it is a parent trying to put their child in a Head Start Program, cuts on them frozen.

The TRIO Program for kids, to get them to go through high school and into college, abolished. Low income seniors are faced with fuel bills in cold parts of this country, program abolished. Child care reduced. Just one series, mass transit operating assistance reduced, a little tougher to get to the job, a little harder to get to the training. A little harder to get to college, all cumulative on person after person. Cuts that are unrealistic in Medicare and Medicaid.

Why? To pass a tax cut to benefit primarily those who have already been rewarded most by our economy in the last 20 years. So struggling American working families, hoping for the kids to go to college, needing retraining, maybe needing some assistance with day care, can work, we want to avoid how they get to the job, maybe in rural U.S.A., maybe in urban areas, rural communities trying to develop economically, all seeing doors shut so we can pass a tax cut to benefit the most affluent in this country.

Mr. Chairman, it is the wrong priorities. We are told at times by people that we are talking about renewing American civilization. Mr. Chairman and Members, this plan does not represent our American civilization in my judgment, some of the worst of American values. We can do better.

Mr. Chairman, to the majority I simply want to say there are many months ahead. At some point, sometime before the year is over, you will be called on to move away from ideology, to practical reform that reduces our deficit in a fair and equitable manner. When you are ready to move away from ideology, we stand willing to help because the challenge is big.

So today, to the Members, I simply urge you to vote no when we come to final passage tomorrow.

Mr. Chairman, I reserve the balance of my time.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. KOLBE], a member of both of the Committee on Appropriations and the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, I want to congratulate the chairman of the Committee on the Budget as well as the ranking member for their contribution to the ranking member for the decency with which he has conducted himself and the members of his committee throughout this debate. It has been in the Committee on the Budget, it has been in the Joint Appropriations Committee, and finally, to our college campuses.

The Republican budget before us would virtually obliterate the Federal role in education. The $72 billion in education and training programs would be cut over the next 7 years. It is a repudiation of this Nation's longstanding bipartisan national commitment to educating all of her citizens. The Republicans would abolish or slash extremely successful education programs, programs like Head Start, which they would reduce by $209 million in 1996.

They would eliminate efforts in 47 States to improve reading and writing skills, to put computers into the classroom, and to improve academic standards through Goals 2000. Their budget proposal would virtually eliminate the safe-and-drug-free school program, even though drug use is on the rise among school children. It would jeopardize teacher training for 400,000 teachers.

Programs that target assistance to 700,000 at-risk disadvantaged children would also be abolished under this proposal. They show shameful hostility to programs designed to lift disadvantaged children out of poverty through learning.

Having spread their devastation to the cafeterias and the classrooms, they would eliminate Federal support for public libraries, would cut student aid by well over $18 billion, as one way to finance tax cuts for the rich and privileged. The elimination of the in-school interest subsidy would increase loan costs for close to 5 million students, adding as much as $5,000 to the total loan cost for each student who would take out a loan.

Middle class families are especially hit hard. The Republicans want to make it harder for their kids to attend college, so they can finance the tax cut for the rich and the privileged.

Finally, Mr. Chairman, the Republican proposal to eliminate the Department of Education is myopic and reactionary. It would leave our country as one of the few industrialized nations in the world without a national commitment to education. Not only is this proposal dumb, it is unpopular. The vast majority of the American public supports the Department of Education, and a strong Federal role in education.

Mr. Chairman, this budget proposal is the most irresponsible assault on education by any political party in our history. We must reject this attack on education. We must reject this contract with ignorance. We must reject this Republican budget proposal, because it is being released 5 months prematurely. A turkey like this should surface somewhere around Thanksgiving.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. Hobson], a very distinguished member and a dear friend of mine.

Mr. HOBSON. Mr. Chairman, I might point out that the previous speaker, the gentleman from Missouri [Mr. Clay], voted for the Clinton tax increase, the biggest one in this country's history, and it costs his district $1,900 million in tax increases. It is interesting to note that he voted against the balanced budget amendment. We should take that into context when we review his remarks.
CONGRESSIONAL RECORD — HOUSE

Mr. Chairman, we are coming up on what I expect to be the most important vote of my career in this House. Today we meet the challenge of balancing the Federal books and restoring fiscal security for America’s next generation.

Today we vote on, and I encourage my colleague and friends in the House Committee on the Budget resolution, and restore hope to that next generation. For 26 years, our Federal Government has spent more money than it has taken in, financing this debt by borrowing the legacy of chronic deficit spending is passed to our children as a $4.9 trillion national debt.

Staying on this track will undoubtedly bankrupt our Nation. This subject has particular meaning for me right now, because my 15-month-old granddaughter is in town visiting. When I think why we are balancing the budget, I think of Kayti. A lot of grandfather think that way. My other daughter is going to have another baby, so you think a little differently about the future when you become a grandfather. I think a lot of people can equate to that.

What this balanced budget is about, it will not allow her to have the same opportunity the rest of us have if we do not balance the budget. Putting the future of Kayti and the other children in this country first is what balancing the Federal budget is all about. Protecting the next generation from a financial crisis means acting now in a decisive, responsible way.

Mr. Chairman, our budget also protects our children’s future by preventing a crisis in Medicare, the health care system of our Nation’s seniors. According to the Medicare trustees appointed by President Clinton, Medicare will run out of money in 7 years. Our budget resolution provides the structure needed to protect, preserve, and improve Medicare, and then it goes on to increase benefits to seniors from $4,816 for beneficiaries in 1995 to $6,376 in 2002. That is an impressive increase, by anyone’s standards.

Our budget also increases overall Government spending by $1.2 trillion over the next 7 years. That should be plenty to do the things we need to do at the Federal level. Where we can, we will send programs back to the States and local governments.

In total, this process of decentralization, deregulation, de-agency, and reduction of duplication and waste, justifies eliminating 283 programs, 14 agencies, 68 commissions, and 3 departments: Energy, Commerce, and Education. This is just one path toward balancing the Federal books.

Over the next few months, the committees of jurisdiction will map out the details. The job of balancing the budget is a challenge we can meet. When we act now, we do not let future generations inherit a nation that is failing.

Mr. Chairman, the Cut would remind all persons in the gallery that they are here as guests of the house, and that any manifestation of approval or disapproval of proceeding on the floor is in violation of the rules of the House.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Hawaii, Mrs. MINK. (Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mr. Chairman, I rise in strong opposition to the budget resolution which has been presented based upon policy assumptions which must be challenged. These assumptions are contained in the committee report. I hope that all of the Members will read it.

For record time in this part of the debate I want to direct attention to the egregious assumptions that are the basis for huge cuts in Function 500, which deals with education, training, and Head Start. The cuts contained in this budget resolution in Function 500 amount to $82 billion over a 7-year period.

Despite what has been said by the Republican majority about the resolution providing for a steady increase in spending, let me point out that in Function 500 the current fiscal year 1995 budget authority is at $58 billion, and 7 years from now, it is $44 billion. This is a substantial cut in one of the most areas of Federal responsibility, which in the past has enjoyed large bipartisan majority support.

In the area of education alone, the cuts are particularly devastating. Despite the avowed pronouncements about our fiscal values, the Republicans in this budget resolution have disavowed their support for the most important goal of American families, which is quality education for our children, enriching their experiences in education, providing for science and math instruction, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all, regardless of age or economic circumstances.

Mr. Chairman, this budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the huge losses in these funds.

I want to remind the Members of the House that if they support this resolution, they are voting for the elimination of President Clinton’s initiative called Goals 2000, which was implemented by President Clinton. This was an initiative that was promoted by the National Conference of Governors, and now it is being eliminated.

If Members vote for this resolution, they are cutting $5 billion in the next 7 years in the Elementary-Secondary Education Act, passed some 30 years ago. The title that is being cut is the concentration grants. Everybody has been saying target the money to the most poor, to the neediest districts. That is precisely what we did last year, and this program is being eliminated.

If Members vote for this resolution, Federal funds to help schools prevent drug abuse in their schools, the very, very difficult issue which the Federal Government has put money in, and from which the schools have benefited enormously, $3 billion are being taken away.

If Members vote for this resolution, they will be cutting the Eisenhower Professional Development Program. All of us know that quality education is contingent on the quality of the teachers, and it is particularly critical if we destroyed this program, which helps school districts provide for development of our teaching profession, allowing them to improve themselves and keep up with the technological advancements in our society.

If Members vote for this resolution, they will be eliminating totally the bilingual education program. Think of the promises we have made to the young children who have come to this country with their families, whose one chance they have to keep up with their classes and get into this educational system so they can benefit and improve their lives.

All across America, Mr. Chairman, if Members vote for this budget resolution, they will be cutting the only Federal funds in libraries that have been in existence for decades. Our rural small libraries all benefit from the library program. This program is being eliminated totally. What a travesty on what support the Federal Government has been able to provide.

The last and probably most egregious cut that is proposed in this resolution, which if Members vote for they will be a party to, and that is to take away the interest subsidy of our young people and others aspiring to a higher education, wanting to better themselves. This is what we talk about when we say self-sufficiency: “Get in there and work to better yourselves.” When they do, we have a Congress that is taking away
that small subsidy which we have pro-
vided over the years.

Mr. Chairman, I urge a “no” vote on this res-
olution.

Mr. Chairman, I rise in opposition to the
budget resolution which is being considered
today. There are assumptions that must be
challenged in this resolution. These as-
sumptions are contained in the committee re-
port. For my time in this part of the debate I
want to direct attention to the egregious as-
sumptions which are the basis for the huge
cut in Function 500, which deals with edu-
cation, worker training, foster care, aid to the
disabled, and Head Start.

The cut contained in this budget resolution
in Function 500 amounts to $82 billion over
the 7-year period.

Current fiscal year 1995 budget authority for
Function 500 is $58 billion. The 7th year al-
coration for Function 500 in fiscal year 2002 is
$44 billion. This represents cuts in some of
the most successful programs that have been
in the past supported by large bipartisan ma-
jorities.

In the area of education alone, the cuts are
particularly devastating. The avowed pro-
nouncements about being for family values,
the Republicans have disavowed their support
for the most important goal of American fami-
lies, which is quality education for their chil-
dren, enriching experiences in education,
mentoring science and math, and help for those
who are disadvantaged by poverty, by defi-
cienies in language, and assuring that higher
education is available for all regardless of age
or financial circumstance.

This budget resolution strikes a deep blow
to the promise of America to improve educa-
tional opportunity for all. The cuts in edu-
cation will hurt all school districts, most of
whom cannot possibly make up for the loss of
these supplemental funds.

President Bush’s initiative, Goals 2000, joined
by President Clinton in implementing them,
will be eliminated. Remember this is an
initiative joined in the Nation’s leading Gov-
ernors and goes to the heart of the national
effort at education reform. The cuts are $2.8
billion over 7 years.

Elementary Secondary Education funds,
Title I Concentration Grants, are eliminated.
These funds concentrate and target schools
with the highest concentration of poor children
which is exactly what the Republicans have
argued for in the past. This is one of the most
egregious of all cuts. The cuts are $5.1 billion
in 7 years.

Federal funds to help schools prevent drug
abuse and violence in the highly regarded pro-
gram called Safe and Drug Free Schools pro-
gram cut. The loss of these funds so despera-
tely needed to help schools deal with this problem is unconscionable. The
cuts are $3.5 billion in 7 years.

The Eisenhower Professional Development
program is eliminated. We have always sup-
ported ways to improve the quality of teaching.
Teacher education is what schools are about. Schools
have grave difficulty in providing funds needed
to help in professional development to main-
tain education relevant to the challenging
times in which we live. The cuts are $2.2 bil-
ion in 7 years.

Bilingual Education is eliminated. To ignore
the needs of students whose primary lan-
guage is not English is to punish and retard
their ability to learn. We give lip service to the
ambition of immigrant children to achieve their
goals and yet take away the help they need.
The cuts are $1.4 billion in 7 years.

Libraries support which is a basic Federal
help that has been available to the smallest of
our libraries, in the most rural of our commu-
nities is cut. The loss of these funds is
unthinkable of all. Funds that are lost here,
will not be made up by local funds, which are
largely unavailable. The cut is $1 billion in
7 years.

Higher education loans—Stafford loans and
direct loans are being cut. This is an in-school
interest subsidy. There is no logical think-
ing. How can we believe that our nation’s future
is in our children and at the same time cut back
their higher educational opportunity? The cuts
are $18.7 billion in the 7-year period.

Federal Trio programs for outreach to highly
talented high school students to urge them to
continue with their education is what enlarging
opportunity means. Killing this highly success-
ful initiative is to turn our back on talent. The
cuts are $3.2 billion in 7 years.

The much heralded early childhood educa-
tion program, Headstart, is cut by $1.5 bil-
on over 7 years. It is frozen at fiscal year
1994 appropriation levels. It freezes our long
hoped for full funding of this important pro-
gram that has dramatically changed the future
of the poorest of our children.

This budget resolution contains many im-
proportionate cuts. All the talk about adopting these cuts for the
future of children is totally wrong. It
cripples our children’s future. It casts a
dark shadow over the future of thousands of
our Nation’s children. Instead of hope and oppor-
tunity, supported by the country as a whole in
its Federal budget, our children will have to
struggle to attain their goals on their own with
dreams shattered by politics which did not
include them or consider their future.

Vote down this budget resolution. It pun-
ishes our children. It robs them of a brighter
promise for their future.

Republicans who support the budget resolu-
tion also supported the balanced budget
amendment by arguing that it would force the
Federal Government to balance its budget just
like the State family does. This is total nuts.
If this is so, why did the Republicans support
a balanced budget amendment and now support
a budget resolution that simply fails to make
distinctions between operating and long-term
investment costs in the Federal budget when
families, businesses, and all 50 States make
those very distinctions when they plan or
structure their budgets?

For example, when a family purchases a
home, the cost of this long-term investment is
accounted for over the 15- or 30-year life of a
mortgage. The Federal Government and the
Federal Gover-
ment decides to build, say, a submarine,
also a long-term investment, the entire cost of
the submarine is front-loaded in the first year’s
budget and shown as a debt in that year’s
budget.

If we establish a Federal capital budget, the
Federal Government will have separate oper-
at ing and capital budgets just like all the 50
States, and the Federal Government will be
required to maintain a balanced operating
budget and reflect its long-term debits in its
capital budget, just like those States with bal-
anced budget mandates such as my own State
of Hawaii.

We cannot look at this budget without con-
idering the immediate impact it will have on
individuals and their families. This drastic
move to severely cut our investment in our
most important asset—our human capital—will
have monumental consequences on programs
which people depend upon everyday to help
improve life for themselves and their families.

Americans want nothing more for their fami-
lies than to provide their children a better
life, to be able to give them opportunities for
education, employment and economic
achievement. I know this is what the people of
Hawaii want over and above an effort to reach
a zero budget deficit just for the sake of doing
it. Without regard to the impact it will have on
our overall economy, our future and most of
the lives of individuals.

Many programs which the people of Hawaii
support and depend upon will be eliminated or
severely reduced under this plan:

East-West Center—eliminated; Native Ha-
awaiian Education Act—eliminated; Native Ha-
awaiian Health Care Act—eliminated; Student
Loans—cut by $18.7 billion; Impact Aid—cut
by $1.3 billion; Davis-Bacon Act—eliminated;
Travel and Tourism Administration—elimi-
inated; Legal Services Corporation—elimi-
inated; National and Community Service
[Americorps]—eliminated; Retired Senior Vol-
unteer Corps [RSVP]—eliminated; National
Endowment for the Arts/Humanities—elimi-
inated; Support for the Public Television—
eliminated; Legal Services Corporation—
eliminated; National Bio logical Survey—elimi-
inated; Head Start—cut by $1.5 billion over 7
years; Bilingual Education—eliminated;
Library programs—eliminated; TRIO programs—
eliminated; National Writing Project—elimi-
nated; Homlessness Assistance Grants—elimi-
nated; Vocational Education/Adult Education/Job
Training—eliminated; Community Development
Block Grant—eliminated; and the U.S. Geologi-
Cal Survey—cut by $798 million

These are not programs which can be elimi-
ated without a significant impact on the State
of Hawaii. These programs help us invest in
education and training of our workforce, pro-
vides jobs in highly technical and scientific
fields of research, provides investment in infra-
structure and housing to improve our rural and
urban communities. Davis-Bacon helps to sta-
bilize Hawaii’s economy by paying the “fly-by-
night” construction companies from the main-
land from gaining an economic advantage over
our local construction companies in getting
Federal contracts.

This budget resolution must be voted down.

Mr. Chairman, I yield 3 minutes to
Mr. Kolbe. Mr. Chairman, I yield
myself 30 seconds.

Mr. Chairman, the previous speaker
talked about the cuts in education.
Let’s be very clear what we are pre-
serving here.

We are preserving the title I basic
grants for disadvantaged students, the
impact aid for “A” students, the spe-
cial education, the vocational rehabili-
tation, the Pell grants, the historically
black colleges grants, the campus basic
aid, and then we are creating 5 new
block grants. So let’s just be clear
what we are preserving here.

I issue a challenge to the leadership. One
percent of funding for libraries comes from
the Federal Government.

Mr. Chairman, I yield 3 minutes to the
gentleman from Pennsylvania [Mr.
WALKER), the distinguished chairman of the Committee on Science and vice chairman of the Committee on the Budget.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, there used to be a tradition in this country that you bought the farm, paid off the mortgage, and gave the farm to the kids mortgage-free. The Federal Government for years has been buying in a different direction, where what you do is buy the farm, sell off the assets, and hand the mortgage to the kids.

What we are hearing today is a debate between those people who want to make certain that we do not continue to hand the mortgage to the kids but rather begin the process of ending deficit spending and ultimately paying off the debt.

The surprising thing is that there is a bipartisan consensus around that idea. In January, fully 387 Democrats voted for one or another of balanced budgets that said to balance the budget by the year 2002.

That is right. We actually had people line up in January on the Democratic side, nearly three-fourths of their conference, and say they were for some kind of balanced budget that balanced the budget by the year 2002. Now we hear today that, well, maybe they were not really for that, that was just a political vote they had to cast. I must say that when it came to final passage, many of them voted no, including the gentlewoman who was just in the well, although she did vote for one of the balanced budgets. The amazing thing is that they have come to the floor today with no presentation of their own of how they would get to that balanced budget that they voted for by the year 2002.

When they have told us before how they will do these kinds of things, they raise taxes. The gentlewoman who just spoke, in her district she voted back in 1993 to raise taxes on her own district by $522 million in order to bring down the deficit.

Now we find out what they really did. In the President's budget that he brought forward earlier this year, deficits begin to go up again at the end of the 5-year period. Guess what? When you get out into the 7-year period that we are in this budget, the deficits soar out of sight, despite the fact that they raise taxes, presumably to lower deficits.

The question here is whether or not we are going to do real things in order to get the Federal books in order. I believe we have the capacity to do some real things.

This budget does assume some things that many, many people in this House do not like. When you cut 283 programs, in some people who are tied to the special interests that back those programs, who simply do not want to do the cut of 283 programs. When you cut over 60 commissions, there are people who are tied to the special interests who love those commissions, who then come to the floor and argue for keeping them.

When you eliminate three departments, there are people who are tied to those three departments and the special interests who back those departments, who come here and defend those departments. When you eliminate a dozen and more agencies, there are people who are tied to the special interests who love those agencies, who come to the floor and argue for keeping them.

You are going to hear them all day long out here, defending the special interests that defend those agencies and saying that this is all in the name of helping the poor and the downtrodden.

Nonsense.

Mr. Chairman, if you take a look at the reality of this, what you are supporting in the budgets that we have had over the last several years is huge bureaucracy. Vote for a balanced budget.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me simply observe the explosion of the Federal deficit occurred when we passed the Republican budget in 1993.

I hear this discussion of special interests. Let me remind this body that we have before us a tax proposal that would repeal the alternative minimum tax for the largest corporations in this country. To pay for that, we would repeal and make more difficult the getting of student loans by thousands and millions of students in this country.

Mr. Chairman, I yield 45 minutes to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, contrary to the claims of the majority, this is not a budget to protect our children's future. This budget is an assault on our children's future, and an assault on their grandparents as well.

It opens up tax loopholes for wealthy special interests, and slams the door on school cafeterias; college classrooms; and hospitals all over this Nation. If this budget represents the future of our children, then the future looks grim. It is no wonder Mr. KASICH says he is nervous.

Mr. Chairman, education is our future. Education, not reckless spending cuts, must be our Nation's No. 1 priority. The most glaring mistake in this budget is that it makes deep cuts in education to pay for a tax break for wealthy special interests.

Our children should be the most important special interest for this Congress, not the privileged few with influence over the Republican budget process.

It is too bad kids don't have powerful lobbyists here in Washington, because many of the education programs which are important to our children's future are being assaulted in this budget:

Goals 2000 is eliminated; Head Start is cut dramatically; bilingual education is terminated; President Clinton's national service program will disappear; school lunch and school breakfast is cut; the entire Department of Education would be eliminated, clearly demonstrating to the American people the majority's lack of commitment to the future of our children.

This budget is not limited to attack on our young children, it also attacks low- and middle-income college students and their families. On May 8, 1995, the New York Times called the Republican budget resolution "the strongest assault in recent years on student-aid programs."

Mr. Chairman, this assault makes a mockery of our Nation's core values—the opportunity to get a good education, and the opportunity to get ahead. Taking away the college loan interest subsidy, which the Government provides to students while they are in college, and its addition, these cuts in student aid threaten our future economic health and our global competitiveness. In a time when our country needs people who are more educated, not less, in order to compete in the global marketplace, this assault on our low- and middle-income families is also an assault on America's economic future.

Also, if we want to get people off welfare and into the work force, these cuts in education send us in the wrong direction. As a former welfare mother—able to work myself off welfare because I had a good education—I can tell you for sure that these cuts are just plain wrong.

We should no mistake about it, when Members of Congress cast their vote on this budget, they are providing their constituents with a clear yes or no answer to the following question: Should we take education and nutrition away from children; college aid away from students; and health care away from seniors in order to put money into the hands of wealthy special interests?

I beg my colleagues to answer with a resounding no by rejecting this budget.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRANKS], a distinguished member of the Committee on the Budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I just noted the gentlewoman across the aisle saying there are no special lobbyists for the children, no powerful special lobbyists for the children back home. I know one man that is standing right here who is a powerful
lobbyist for three young children in Kansas. I am here representing them, as many of my colleagues are. We are terribly concerned about them. That is why we are balancing the budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I would like to recognize the most used credit card in the history of the world. This card has been used by decades by politicians in Washington, DC, to buy things that we simply cannot afford.

In the process, we have accumulated a deficit that piled up upon debt. The very children that we profess to be so deeply concerned about are the people who are being asked to pay off this enormous debt. The only answer to ending this deficit spending and to begin to pay down this enormous debt which is putting a burden on our children and on our families is to balance the budget.

Mr. Chairman, just like every American family who, when they have an important objective to meet, sit around the kitchen table and have to prioritize what is essential, identify what is important and talk about what they can do without, that great historic discussion begins for the first time in a generation right here right now.

Ladies and gentlemen, this is the time for a balanced budget.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, one group of children that no Member here is lobbying for—and it is obvious we lobby for our own and our grandchildren—are the homeless children in the United States, numbering between 750,000 and 1 million on a daily basis. These are not children that caused the deficit. These are the children of parents who used to work and who do not anymore.

This program, which is very modest, has helped over 350,000 children since 1990. The number of homeless children not in school because of this program has dropped from 50 to 18 percent. Obviously it works.

A nation that believes that it is better to allow 750,000 to 1 million American children to grow up in shelters and on the streets and not to be in school has no business to expect not to reap the whirlwind that growing up uneducated, unhealthy, and untrained will assure us. This program that costs so little and produces so much could only be eliminated by meaness.

It is a total transfer of the benefits for homeless children to the very rich who benefit from the tax cut.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Staten Island, NY [Ms. MOLINARI], a very hardworking member of the committee.

Ms. MOLINARI. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, let me just say what we have here today is a difference in definition between the two political parties as to the American dream.

The Democrats, as you hear, say it is OK to add to the deficit. Increase taxes, raise spending, do it the day. Over the next 6 or 7 hours, we are going to hear from the other side, a picking out of small programs throughout this budget that we believe the country will absolutely fail apart if they are not continued to be funded.

What you will not hear in their American dream is how to balance the budget, how to restore economic equity to the next generation, how to positively bring back that vision of hope to Americans regardless of their age.

The Republicans, on the other hand, have defined the American dream, but we have gotten that definition from people who pay taxes throughout this country, who tell us to stop runaway spending, reduce the deficit, and balance the budget. 

"If you want to help our children, really help our children, let them grow up in an opportunity society that is debt-free."

That is how we discourage homeless children. That is how we increase education opportunities. That is how we make sure that we in Washington do not define the American dream, but create an economy that allows the children and their parents throughout this Nation to feel, to dream, and to hope for a tomorrow that right now, today, under the current Democrat spending plan of no new options, will lead them to one big dead end.

Mr. Chairman, I urge my colleagues and the people who are watching today to dare to dream the American dream and join in supporting the Republican budget.

Mr. SABO. Mr. Chairman, I yield myself 5 seconds.

The Republicans want to cut Medicare, Medicaid, education, and a host of programs to pay for a tax cut for the rich.

Mr. Chairman, I yield 2½ minutes to the gentlewoman from Michigan [Ms. RIVERS], a distinguished new member of our committee who has been outstanding in her work.

Ms. RIVERS. Mr. Chairman, at the end of this month I will celebrate my 20th anniversary of graduation from high school. The next day I will celebrate my 20th anniversary of my marriage.

My husband and I got married the day after high school. I was 18; he was 17. At the time we were married we had few skills, little money, and a rough row to hoe. By the time we were 21 we had our second child. Today, 20 years later, I have an undergraduate degree, I have a law degree, and I represent my community at the Congress of the United States.

What made the difference for me? What made the difference for me is what has made the difference for many, many Americans over the years, education, and an education was only available to me because there were student loans, because I could borrow money, because I could get a helping hand. It made all the difference. It still took me 15 years to get 7 years of education, but had I been shut out I had not been able to ask for help.

And yet now we see a Republican plan that retreats from that position, that makes it harder to go to school, that makes it harder to get ahead.

What my colleague from Arizona [Mr. KASICH] mentioned is the American dream. Mr. Chairman, I will tell you I have lived the American dream. I have done what countless others have done. I have worked hard, I have persevered. I have played by the rules, and now that I have walked through the doors of opportunity, I would like to see them kept open for others to follow.

I think it is a terrible hypocrisy for folks on the other side, particularly in the leadership, who have climbed the ladder and now wish to pull it up behind them. We need to say no to this budget and to make it clear that any retreat in student aid is unacceptable.

The CHAIRMAN. Let the Chair state that before the time expires.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Just very quickly, Mr. Chairman, the previous speaker talked about the education of homeless children. What she is talking about is a program that funds an Office of Coordinator of Education for Homeless Children and Youth in the State educational agency. And in the functions of the Office of Coordinator after there's engagement of State plans, local education agency requirements. There is not one bit of program for homeless kids in here. It is a bureaucracy. It is a State agency, it is a coordinator. There are no programs in here.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me the time.

Chairman KASICH mentioned the Joint Economic Committee's part of this debate, the gentleman from Ohio [Mr. KASICH] has 3½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 3 minutes 10 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Just very quickly, Mr. Chairman, the previous speaker talked about the education of homeless children. What she is talking about is a program that funds an Office of Coordinator of Education for Homeless Children and Youth in the State educational agency. And in the functions of the Office of Coordinator after there's engagement of State plans, local education agency requirements. There is not one bit of program for homeless kids in here. It is a bureaucracy. It is a State agency, it is a coordinator. There are no programs in here.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I just wanted to respond to the gentleman from Arizona [Mr. KOLBE], because I have a report on the homeless in his own district.

There are 64 children right now in Amphi High School. Three earned a 4.0 grade average in 1992, another 5 GPA's at 3.5 or better. Ninety percent have improved their grades since entering the program.

None of the students served by the McKinney grant dropped out of the school in the first semester. We believe the success of this situation is due to our policy of encouraging parent attendance and academic excellence, as well as to the support they receive from the independent living class.
Mr. SABO. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, if this resolution is adopted, the Republicans are going to cut $4 billion every year for the next 7 years out of educational aid programs, and that is in addition, all up and down the line of education programs, and that is in addition to one of the biggest blows that you could make, and that is the $519 billion that is taken out of these in-school interest subsidies for our college students.

Who does that interest-subsidy removal hurt? Here is an example of someone in my district who depends on student aid. Her name is Theresa McGuire, a 34-year-old college student at North Adams State College in western Massachusetts. She is a single parent, the mother of a 7-year-old daughter. She left a low-paying, no-benefits, dead-end job to go back to school because she is almost finished anyway, but there are millions of others in positions like that who will not start or will find that their school is made considerably more expensive.

And she would manage to finish because she is almost finished anyway, but there are millions of others in positions like that who will not start or will find that their school is made considerably more expensive.

Mr. Chairman, why in the world would the Republicans focus on the getting-ahead opportunities for people like Theresa McGuire to pass a tax cut?

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. I thank the gentleman for yielding time to me.

All my life I have wanted to serve in Government. It was as a civil servant or as an elected official, so it was a dream come true for me to have an opportunity to serve first as a State legislator and then as a Member of Congress.

When I was a State legislator and first elected I started to notice that Congress, unlike the States and unlike my State of Connecticut, could spend more than it raised. And I thought, well, they can do it but they will not. And I said man, I must have done something wrong. And I saw it happen another year, and I saw it happen another year. For 13 years I watched Congress spend more money than it raised. And I knew who is hurt by that. It is all of the children who have to pay the bill.

So I saw my Congress spend more than it raised. And when I was in Congress, along with a number of others, I have been working and waiting for the opportunity to vote finally for a budget that will get our financial house in order.

Today I have this chance. I have waited 20 years for this day to get our financial house in order, and that is what we are doing and we are doing it fairly. We are going to take 7 years admitted, but we are going to spend 19 percent more in the seventh year than we spend today. We are going to slow the growth in spending. Only in Washington is an increase in spending called a cut, only in Washington. Where else when you spend more do they call it a cut? I never found a place anywhere else but in Washington where that is going to happen.

We are going to spend more. Admittedly domestic spending is going to go down, because we are going to downsize and we are going to reorganize it and provide better services in the process. International, foreign aid is going to go down; that is a cut. Defense spending is going to stay relatively the same.

But Medicare and Medicaid, they go up. Medicaid goes up 36 percent in the next 7 years, it goes up, it does not go down. I hear cuts. It goes up. It is $89 billion in the next 7 years. We are going to spend $33 billion more in the next 7 years than we spent in the last 7 years. That is a spending increase, maybe not as much as some people want, but it is not a cut.

Mr. Chairman, most importantly, we want to save Medicare. It is going bankrupt. We know from the President that in the next year it starts to go bankrupt and in 7 years it is bankrupt. We want to protect it and we want to improve it. We want to save Medicare. We are going to have a 45-percent increase in Medicare. That is a cut? Well, in Washington it might be, but nowhere else in the world.

We are going to spend $659 billion more in the next 7 years than in the last 7 years. Is that a cut? No. We are going to spend more. Only in Washington is an increase in spending called a cut, and I am fed up with it.

What we are doing today is we are having a sea change. We are going to change the way Washington does things.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 1 minute and 10 seconds remaining during this part of the debate.

Mr. SABO. Mr. Chairman, if the minority does not object, I would like to yield 1 minute and 30 seconds to the gentlewoman from New York [Ms. VELAZQUEZ], and we will take the 24 seconds left by the gentleman next hour.

Mr. KASICH. I do not know if I can be that reasonable.

The CHAIRMAN. By the sufferance of the Chair the gentlewoman from New York is recognized for 1 minute and 30 seconds.

(Ms. VELAZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELAZQUEZ. Mr. Chairman, we have heard a lot of rhetoric from the gentleman who just spoke. What it comes to this budget, they cut themselves. They talk about saving our children and grandchildren. What they do is the exact opposite. They take Federal dollars away from our children to be able to give huge tax breaks to the wealthiest families in this country.

With a $7 billion cut in education and training programs, this budget will deny thousands of children their chance at education and a brighter future. The only ones who have a brighter future under this budget plan are the wealthiest families in this country. They will get over $2 billion in tax breaks under this budget. There is no bright future for our kids in this budget.

Saving our kids means giving them new books, building them new and safer schools.

Let us stop the rhetoric, Mr. Chairman, and speak to the truth. The only savings that is going on here is in the tax bill for the rich.

The CHAIRMAN. Pursuant to the agreement entered into prior to the House going into the Committee of the Whole, the next hour will be devoted to debate on the control by the members of the Joint Economic Committee. Under the rule, however, that time is controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

Mr. KASICH. Mr. Chairman, I ask unanimous consent to yield my 30 minutes to the gentleman from New Jersey [Mr. SAXTON] and that he be allowed to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from New Jersey [Mr. SAXTON] will be recognized for 30 minutes, and the gentleman from California [Mr. STARK] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KLOESE], a member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, earlier the gentlewoman from New York [Ms. SLAUGHTER] was again talking about the office of coordinator of education for homeless children. Let me just read that sentence from the Department of Education's budget:

This program provides formula grants to States to operate an Office of Coordinator of Education for Homeless Children and Youth and to develop and carry out a State plan for the education of homeless children.

The education comes out of Head Start. The entire line of title I; it does not come out of this. We are talking about cutting out a bureaucracy. The tax cuts, we are going to be talking now about the tax part of this thing, go to take
care of senior citizens and children, senior citizens and children, the next generation of Americans and that generation now which deserves our help, the senior citizens.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this hour of debate is to focus on the economic implications of the budget proposal before us. I believe that this debate today is truly a very historic debate, so I must opt to the extent that the Committee on the Budget has worked very diligently, I congratulate them on bringing us to this historic point. For the first time since the 1980's Congress is preparing to confront the tidal wave of red ink drowning our country's future. Listening to the prophets of doom, one comes away with the impression that balancing the budget is an exercise in group sacrifice, when in fact we believe it is just the opposite. Balance the budget is only painful if we accept the premise that every American is dependent upon the Federal Government. We reject that premise.

A true understanding of the economic rationale for balancing the budget is that by reducing spending we are freeing the economy from the burdens of the state. We are renewing the time-honored American values of independence, responsibility, and hard work.

However, we are faced with a dilemma. Do we once again attempt to balance the budget by hobbling the economy with higher taxes, or do we balance the budget in a manner consistent with economic prosperity? That is the big question, and I submit to my colleagues today that the American people told us last November to balance the budget in a way that makes the economy grow, and they told us to reduce taxes at the same time.

The American people understand that these two goals are consistent, and I think, in fact, is essential for us to do both.

Why is it important to balance the budget with lower taxes? Because balanced budgets alone have limited power to unleash the competitive ability of America's workers, which is the basis of our economic prosperity, not big Government.

The President and his administration have crowed about how wonderful this recovery has been. Let us take a minute to focus on the history of economic recoveries. Economic recoveries do what their name implies: They restore the economic performance of a poor economy to the economic performance of a good economy. Traditionally, during economic recoveries, productivity, incomes, and job growth are higher than the norm.

On the other hand, the current economic recovery has continued for several quarters. However, it has not created the prosperity of other economic recoveries. Far from it. In the first 3 years of the expansion of this recovery, real gross domestic product grew by less than half, less than half of the growth of GDPs in other recoveries. The Clinton recovery has been a failure in restoring productivity and in restoring incomes. Productivity grew by an average rate of about 3.1 percent in the two years following World War II. However, during the 1970's, productivity decreased alarmingly. Growth was again restored during the Reagan expansion. However, since President Reagan, productivity has declined slowly during the 1970's, which is totally unacceptable.

In the current recovery, productivity gains in the service sector, have, in fact, been negative. Incomes have also been flat in the current economic recovery. Real median income increases dropped in 1991, 1992, and 1993, unique, for a sustained expansion. The only other time in American history post-World War II when GDP grew and family incomes fell was in 1979 during the Carter administration.

The Clinton recovery also is not providing Americans with quality jobs. If real median family incomes are falling, this means that new jobs created by this recovery offer wages below the average.

What has the Clinton administration done to counter this trend? They have piled additional burdens on American families with higher taxes and more regulations. The major reason for stagnation in the value of the economy to provide adequate capital for a robust economy and robust economic growth. Net fixed investment ran about 5 percent of GDP in the 1980's, but has fallen to under 4 percent, 3.8 percent, to be more exact, today.

Economists have debated the reasons for the slowdown of investment, but they are almost unanimous in believing that it is the high taxes on capital income that is primarily responsible for the lower fixed investment and subsequently falling incomes.

When confronted with the positive steps made by the House with the Contract With America and now with this budget proposal, many of our friends across the aisle and down Pennsylvania Avenue have resorted to the timeworn arguments like that of Laura Tyson. They are even resorting to the highly unusual arguments like that of Laura Tyson, President Clinton's head economic adviser, who has said any effort to reduce Government spending means a dollar in reduction in demand in the economy, so it creates the contractionary risk on the economy. That statement is incredible, and it is so incredible that she must have meant, I think, something else. Clearly, economists understand that the Government does not create wealth out of thin air. Rather they tax citizens for the resources using Government programs. If the Government does not...
spend tax dollars, citizens will use them for other, more productive purposes. If the Government, on the other hand, takes our dollars, it will take them away from citizens and their desire to do more productive things with them.

Rest assured that citizens will use their dollars much more prudently than Government bureaucrats will use their tax dollars for them. Controlling Government spending, then, will be an ambitious gain for the economy. Private investors will have more incentives to take risks, to create jobs and prosperity, but not the Government, and we will all benefit from the fruits of the labor of the private sector.

Historically, we can see the effects on lower Government spending. As the Government got larger, the economy's real rate of growth slowed. The process we are initiating today is a historic process to restore America to a high-wage, high-growth economy. We are truly at a crossroads.

What about those who say the Government has certain functions that private markets cannot undertake? Well, first, we have been deluded too often to accept the arguments that the Government must do this or that task. Private markets are much more efficient than Government processes.

And, second, these people are thinking only in the short run. If we take the long-run perspective, we can see that maximizing economic growth, we will maximize Government revenues, and actually we have a chart here that shows what happens when taxes are kept down. We actually get more revenue and more Government revenue from growth than under the current flawed system.

What about those who say that Government has functions to undertake? Well, we agree that it does. But to balance the budget, we will have other benefits. The economy responds to our efforts. Increased economic growth will make it easier for us to reform the tax system, and we are hearing more and more from citizens who are angry with the current tax system. They find it capricious and difficult to understand.

Economic growth will allow a more reasoned approach to taxation. The economy loses many of its best and brightest careers that simply in- terpret the economic system for us. All the economists, accountants and lawyers to understand the tax system are lost to the economy. They do not bring more revenue to the Treasury. They do not generate goods and services to make Americans wealthier or richer or better off. Rather, correctly understood, the time and expense to prepare tax forms is another form of taxation that reduces economic wealth. Reducing the burdens of the tax system will make Americans wealthier because it will free up these revenue-generating time.

The new ethic must take hold with regard to taxation. A long time, too long, we have focused on the debate, with the debate, on the impact of taxation on the distribution at static losses, a term we hear inside the beltway a great deal. We have ignored the dynamic harm done to every American worker by excessively taxing capital. Taxation reform must recognize that government's role is growth and capital investment. We cannot help Americans to economic prosperity without reforming the tax system.

Also, we cannot allow this opportunity to pass, and the key to future tax reform is to understand how the Government today. That is what our budget does.

The American voter wants a healthy economy. The American voter wants lower taxes. The American voter wants a smaller Government. We must restrain spending to reduce the deficit. We are not reducing spending because we are masochists. Rather, we are reducing spending to enlarge opportunities for all Americans to produce economic growth. Reducing Government spending is the most positive thing we can for the American people, for older Americans, for future generations, and for today's children. It is a win-win strategy.

Mr. Chairman, I reserve the balance of my time.

Mr. STARK. Mr. Chairman, I yield myself 10 minutes.

Mr. STARK asked and was given permission to reveal and extend his remarks.

Mr. STARK. Mr. Chairman, this is the hour allotted to the Joint Economic Committee. I thought it was train schedules for the Metro here. But I am going to explain that, as we learned in agricultural economics, that chicken droppings and chicken salad come from the same place, but there is, indeed, a world of difference between them.

The budget resolution, as propounded by my Republican friends, really has nothing to do with economics. It has to do with a little accounting sleight-of-hand, perhaps some legislative legerdemain, but certainly not economics.

It does represent massive redistribution from the elderly to the rich. Programs that benefit average Americans are cut, reduced, squeezed, whatever you want to call it, to provide huge tax breaks for the wealthiest people among us. Cuts to finance those breaks are more important than that funded. Medicaid earned income tax credit, a whole host of credits, to given tax cuts to the rich.

Today, however, I would like to focus on the proposed cuts in just one area. Guess what, Medicare. The resolution would require us to cut $283 billion out of the Medicare Program. That is a big chunk of cut.

Now, the Republicans would like to pretend, and this is interesting, this is what economic reality does. If, at some point, they pretend something is what it isn't. The Republicans would like to pretend that these are not really cuts, just reductions in the rate of growth.

Now, that argument is, in economic language, specious, misleading, and hypocritical. For the Social Security recipients, these proposals increase out-of-pocket costs while reducing availability and quality of medical services.

Now, the Republicans would make it sound as if Medicare costs rise over time because the program is growing, as if Congress is adding entitlements and new services, or paying higher reimbursement rates, or covering new categories of people. These things are true. The truth is the Republican cuts would come out of the amount needed to keep benefits and rates at current levels. That is all.

In 2002 alone, payments for each senior will increase by over $1,000. That is economics that the seniors in my district understand. The increases in the Medicare premiums and deductibles seniors would pay are not even the whole story. They would require us to cut $283 billion out of Medicare. That is a big chunk of cut.

The distinguished vice chairman of the Joint Economic Committee, the ranking Republican member, just said this is about independence, responsibility, and hard work. Hogs on ice are independent. There are a lot of responsible people out there, and certainly we all know about hard work after Speaker GINGRICH's 100 days.

But, these proposals do not illustrate any of that. They illustrate how you can destroy Government that is really what you want to do, and I submit that is what the Republicans are about. And these proposals illustrate how they take an effective program and cripple it. Last year much smaller Medicare cuts were proposed. The Republicans complained that any Medicare cuts, and that is the word you all used, you Republicans, you would destroy the qualified and ability of care for seniors under that program. Given their objections to last year's proposed cuts, how can they possibly come back and justify larger cuts this year?

They have tried to hide their intentions about Medicare by claiming they are just trying to save the trust fund. Well, now, here is an economic term. The seniors will recognize that claim as baloney. That is Economics 102. The proposed Medicare cuts are much larger than are needed.

The Republican proposal relating to Medicare so far that has passed this House actually makes the trust fund worse by repealing factions on
high income elderly that were dedicated to the trust fund. That hardly seems like a good way to save the trust fund.

Last year, my colleagues on the Democratic side of the aisle proposed Medicare that would have saved $168 billion over 7 years in the Medicare trust fund, and the Republicans, to the man and woman, voted against it. They argued that they wanted to support an amendment to strip the savings on the theory that they would ruin Medicare with the cuts. Now, if $168 billion was going to ruin it last year, $238 billion is going to knock the socks off it this year.

You have been treating, you Republicans, you, the specific details of that Medicare plan like it was the Stealth bomber plans, top secret. DORNAN could not have kept them more secret. They know that savings, you Republicans know, of the size that you are proposing, cannot be achieved without absolutely devastating the health care system, and ultimately Medicare cuts will hurt. They will hurt. They will hurt the patients that they have up their sleeves. Medical insurance, part B, that covers doctors payments, which is by the way financially solvent and does not need any cuts to maintain its solvency, the Republicans are planning to double the deductible that beneficiaries pay before Medicare reimburses them for their doctors bills. After doubling it, that is not enough, they are going to index it so that their payments do not keep up, but their co-pays keep up with inflation, and they go up every year, just to remind these senior how tough they are when they raise the cost of Medicare every year for the next 7 years and on into the future. They plan to increase the Medicare enrollees must pay. And if that is not enough, they make the patients pay a bigger share of laboratory tests, home health care services, skilled nursing facilities, all those things that the seniors are going to need.

Here is the bottom line. Medicare patients will pay more upfront for their coverage, and if they get sick they are going to pay even more than that. No wonder you are not anxious to tell us what is hidden in that budget. These Medicare enrollees hurt. They will hurt beneficiaries, they will hurt the entire health care system, and ultimately hurt the economy. You knew I would get to it.

Our economy and society as a whole will be devastated. Hard-working Americans who paid Medicare taxes for years will find themselves without medical insurance they had been counting on. Confidence in that portion of Social Security will be undermined, and more.

If you arbitrarily change a contract, renge on a deal, pull back on a promise to seniors that was made back in 1965, that we promised these workers, they will know you are reneging, they will know what your contract is. The health care system will suffer, especially in rural areas and inner cities. Hospitals and hospices, health clinics and community health centers will be forced to close, and medical care will be rationed and quality will decline. The overall economy will be harmed as those proposals slash Medicare and do nothing about rising health care costs, as the President has asked us to do.

We cannot continue to spend an ever increasing share of our national income, and that is an economic term, on health care. But cutting health insurance for seniors and the poor without reforming the system is unfair and unwise. And making these cuts in order to finance tax breaks for the wealthy just compounds the folly and exacerbates the existing divisions. One more thing, just a word of advice. You are going to fix this by changing the CPI, aren’t you? You are counting on that adjusting. Well, we have got a suggestion. If you really want to be tricky, and I see the good part B, that covers doctors payments there, all we have to do is raise normal from 98.6 to 103 and we will save billions in Medicare. How would you like that? That makes about as much sense as the rest of this budget.

So I urge you to defeat the budget, save the seniors from the destruction of Medicare, and get on about the business of seeing this country build and grow as it has over the past several years.

Mr. SAXTON. Mr. Chairman, I yield 31/2 minutes to the gentleman from Egan, IL, population 42 [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, this Republican budget is the first step to putting our Nation back on the path towards fiscal responsibility. We will reduce or eliminate programs that may sound nice on paper, but in reality throw away billions of hard-earned taxpayers’ dollars every year. And we may eliminate some worthy programs for which there is simply no money, but without which this Nation can function.

We are approaching a national debt of $5 trillion, and each year we go into debt $200 billion more. This means $200 billion a year is added to the national debt. Today the tax rate for local, State, and Federal taxes is 50 percent. That means that a family with both husband and wife working, one spouse is working solely for taxes.

According to the Clinton administration’s Office of Management and Budget, if we do not make dramatic changes in this country’s fiscal policy, every child born after 1993 will pay between 44 and 94 percent of his or her income into local, State, and Federal taxes. That means out of an annual income of $30,000, a child will be left with only $1,800 to $2,100 after taxes each year on which to live. This is hardly the legacy we want to leave our children.

The findings of the Bipartisan Commission on Entitlements and Tax Reform show that absent policy changes, entitlement spending and interest on the national debt alone will consume all Federal revenues by the year 2012. That means no money for defense, no money for education, no money for roads and bridges, no money for law enforcement.

The Republicans propose a common sense solution to the deficit problem. Slow the growth of spending to about 2.2 percent a year so that revenues catch up with spending levels, which should occur by 2002. By reducing the deficit, the Nation will benefit in reduced interest rates, more employment, and a stronger economic climate.

The Medicare trustees, including those appointed by President Clinton, say that the Medicare Trust Fund will run out of money, and that if something is not done to preserve Medicare by the year 2002, there will be no money to pay for seniors’ medical expenses. To preserve and protect Medicare, the Republican budget puts it on a solid and sustainable fiscal course and puts us on a glide path towards a balanced budget.

Mr. Chairman, I urge my colleagues to vote for the Republican budget.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I ask and was given permission to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Democratic coalition substitute budget resolution, and in opposition to the Republican proposal.

The choice has come to balance the budget. This is what my constituents want because they know that the economic futures of their children and grandchildren depend on it. They want us to balance the budget in a way that is both fair and effective, and this is what the Democratic substitute would do.

The Democratic substitute is fair because it asks everyone, regardless of age or circumstance in life, to share the sacrifice for the benefit of the common good. Unlike the Republican plan, it does not transfer funding for social programs, that benefit the old and poor, to subsidize tax cuts for the rich.

Further, the Democratic coalition substitute will work. I am an original cosponsor of this measure because it takes a rational and responsible approach to balancing the budget. Not only does it restore sane spending priorities by adding back funding for education, health, and economic development programs, it produces a budget surplus in 2002 that is $500 million higher than that proposed in Mr. KASCH’S plan. Less pain with more
gain—Why? Because this alternative resolution reaffirms the logic of achieving a balanced budget one step at a time. This means holding off on enacting expensive tax cuts, which require slashing vital programs, until we are able to set up a framework to ensure a healthy national economy that can be enjoyed by generations to come.

I have serious concerns about the approach taken by the Republican budget resolution. For example, the proposed two-step reconciliation process would delay the consideration of painful spending cuts, until after politically popular tax cuts have been given away. If the Republican majority is truly serious about including tax cuts in their proposal, they should make sure they have the money to pay for these cuts up front, not after the fact. It seems the new Republican majority has forgotten the old Republican rallying cry—"Cut Spending First." Balancing the budget is like curing a cold, the longer you wait to swallow the苦味ing medicine, the longer it takes to return to good health.

In addition, the Republican budget backloads deficit reduction until after the year 2002. When the spending cuts kick in and interest rates decline. In fact, nearly two-thirds of the deficit reduction in the Republican plan occurs in the final 3 years. This is an approach that was tested in the early 1980's under President Reagan and failed. When it came time to make the difficult cuts, they did not materialize. Remember, the 1980's was the decade when the debt tripled under Republican control of the White House. Therefore, as far as the effectiveness of the approach to deficit reduction is concerned, I would say, "Been there, done that, let's not do it again.''

Finally, I am pleased that the coalition substitute includes enforcement language. In January, I supported a constitutional amendment to balance the budget for the first time because I finally lost faith that the President and the Congress have the resolve to balance the budget without a constitutional mandate. While this initiative failed, I still believe that we need to hold our feet to the fire and enforce our budgetary decisions.

Earlier this year, I introduced the Balanced Budget Enforcement Act of 1995, H.R. 1516, along with our colleagues Representatives Stenholm, Dooley, Barrett, Minge, and Poshard. This legislation, which I co-sponsored in the 104th and 103rd Congresses when introduced by our former colleagues, Leon Panetta and Tim Penny, respectively, would enact tough, new measures to reform the budget process and eliminate the Federal budget deficit by the year 2002. It would do so by setting spending caps and using across-the-board cuts if the targets, set by a bipartisan Board of Estimates, are not met. Yesterday, I asked the Rules Committee to allow me to offer sense-of-Congress language endorsing the approach embodied in H.R. 1516 as an amendment to the budget resolution. Unfortunately, this request was denied. In any event, I believe that this legislation needs to become central to debate on budget process reform later this year.

In closing, Mr. Chairman, I believe that balancing the budget is our responsibility as Members of Congress. I have always supported a balanced budget, and the responsibility to achieve this is not one that I take lightly. Over the years, I have frequently taken the political road less traveled in the name of deficit reduction. When I am in northwest Indiana, I tell my constituents that I am opposed to cutting their taxes because it would undermine serious efforts to reduce the deficit. In March, I was one of only six Democrats to support the rescissions bill, H.R. 1158, because I believe we need to start making tough spending decisions today.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. Peterson].

Mr. PETERSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a fiscal conservative who believes that it is critical that we put our fiscal house in order, I cannot tell you how much fun it is to participate in this debate today on how we should rebalance the budget instead of debating whether or not we should be balancing the budget.

I want to congratulate the other side and the gentleman from Ohio, Chairman Kasich, for helping to make this debate possible and for bringing a budget to the House floor which tackles many of the tough choices that we have to face. I also want to congratulate the gentleman from New York [Mr. Solomon] and the gentleman from Wisconsin [Mr. Peterson] for the proposal to balance the budget in 5 years.

Unfortunately, I cannot support the committee resolution as it is before us today. This resolution allows us to postpone and possibly even avoid the tough choices that we must make.

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It calls for a very unusual process that allows us to make the politically popular changes before we even consider the real spending cuts that are necessary to balance the budget. Even if we do not dicker these tough choices, as this resolution allows us to do, the overwhelming majority of the spending cuts in this resolution will occur in the last 2 years.

I hope that the committee is right in its assumptions, but I am afraid that the savings that are supposed to occur in the last 2 years will not materialize and we will be left with a deficit that continues to drag down our economy.

Fortunately, Mr. Chairman, the House will have an opportunity to support a sensible and fiscally responsible alternative to the committee resolution when the coalition budget is offered as a substitute tomorrow. The coalition put together this alternative because the coalition members have serious concerns about the committee resolution of balancing the budget, but we believe that it must be done in a way that makes sense and will work.

The budget that we produced is a realistic proposal that does make sense. It achieves a balanced budget by the year 2002 with borrowing less than the committee resolution without making unreasonable cuts in vital programs. Unlike the committee resolution which back loads the deficit reduction in the last 2 years, the coalition budget cuts spending first and provides for a reasonable, level glide towards a balanced budget in the year 2002.

Mr. Chairman, if my colleagues have any reservations about the budget resolution before us today, I urge them to reject the coalition budget carefully. I am confident that if they have done that, they will agree with me that the coalition budget is the most sensible alternative before the House and deserves the support of all Members.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. Sanders].

Mr. SANDERS. Mr. Chairman, I rise in very strong opposition to the proposal presented by the Republican leadership. At a time when this country has a very large deficit and a $4.7 trillion national debt, it is vulgar. It is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the rich 1 percent of the population own more wealth than the bottom 90 percent and when the upper 4 percent of earners make more money than do the bottom 50 percent of earners, that taxpayers making over $200,000 a year receive a tax break of $11,000 while those making less than $30,000 receive a tax cut of $124. And the rich get richer, and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about tax increases for the rich when we all know that it was the huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost $1.5 trillion in tax breaks to the richest 1 percent during the 1980's. And guess what in the 1990's? They are coming
back for more tax breaks for the very same people. Shame.

Mr. Chairman, I rise in very strong opposition to this budget proposal presented by the Republican leadership.

At a time when this country has a large deficit problem and is going into debt, it is totally bizarre and it is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more in cuts to the wealthiest 1 percent, that taxpayers making over $200,000 a year receive a tax break of more than $11,000, while those making less than $30,000 would receive a tax cut of $124. And the rich get richer and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about any tax increase for the rich when we all know that it was huge tax breaks for the richest 1 percent in the 1980’s that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department estimates $1.5 trillion between 1981 and 1992—which is approximately half of the national debt that was accumulated during that period. Given the fact that the tax breaks provided to the wealthiest 1 percent is largely responsible for the deficit, why in God’s name would we give them more tax breaks now.

Mr. Chairman, this Republican budget cuts taxes for the rich and the largest corporations, spends $92 billion more on the military over 7 years, and then makes devastating cuts for the middle class, for working people, for the elderly, for students, and for the poor.

Senior Citizens: At a time when many of our seniors are finding it extremely difficult to pay for their health care needs the Republican House budget calls for, over a 7-year period, a $29 billion cut in Medicare and a $184 billion cut in Medicaid. The American Association of Retired Person [AARP] estimates that this proposal means that the average Medicare beneficiary would pay over $3,500 more out-of-pocket over the next 7 years. Further, Social Security will be cut by $24 billion from 1999 to 2002 due to a six-tenths of 1 percent reduction in the COLA formulation. Also, the LIHEAP fuel assistance program will be eliminated, and there will be a major cut-back in senior citizen housing. Such excellent senior programs as the Head Start Grandparents Program, and RSVP will also be eliminated.

Education: While college costs are soaring, and many middle class families are experiencing declining incomes, the budget reduces student loans by $33 billion. According to the administration, the Republican plan to eliminate Government-paid interest on student loans while the student is in school would cost 4 million undergraduates more than $3,000 each during the course of a 4-year college career.

Further, the Republican budget would eliminate or drastically reduce funding for such important educational programs including Goals 2000, the TRIO Program, title I, School-To-Work, student incentive grants, Head Start and Safe and Drug-Free Schools—among others.

There is little question that not only will these cuts be harmful to education, but they will result in higher state and local taxes.

Veterans: The bill passed by the House Budget Committee would, over a 7-year period, reduce veterans programs by $8.3 billion. The Senate Budget Committee proposal would reduce veterans benefits by $15.1 billion. Among other cuts would be an increase in the prescription drug copayment from $2 to $8. The House bill would also reduce the COLA on veterans compensation. It would also eliminate the Veterans Employment Program under the Job Training Partnership Act, the Disabled Veterans Outreach program, the Local Veterans Employment Representative Program, and the homeless veterans reintegration project.

Workers: At a time when millions of American workers have lost their jobs because many American companies are downsizing, or moving to Mexico, this budget not only cuts back significantly on job training programs, but it eliminates unemployment insurance extended benefits. That means that unemployed workers would not get assistance after 13 weeks.

The poor: While poverty is increasing and the United States continues to have the highest rate of childhood poverty in the industrialized world, the Republican proposal cuts back on food stamps, child nutrition programs, childcare, affordable housing, WIC, and assistance to the homeless.

Culture: At a time when television is filled with more and more violence and junk, this budget eliminates funding for the Corporation for Public Broadcasting. It also eliminates funding for the National Endowment for the Arts which has been so effective in providing seed money for many excellent projects.

Should the United States move toward a balanced budget and address its $4.7 trillion national debt? Yes. Should we, at the same time, be giving huge tax breaks to the top 4 percent of earners who make more money than do the bottom 50 percent? No. Should we balance the budget on the backs of the middle-class and working people who are already hurting, and who are experiencing a decline in the standard of living? Absolutely not.

Mr. STARK. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, could the gentleman from Minnesota [Mr. PETERSON] explain to me the difference between the budget program that you are suggesting and the one that the Republicans are proposing?

Mr. PETERSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Yes, I can. What we do is we basically start with the Domenici budget but what we do is we eliminate the tax cut. We take that money and reallocate it to Medicare. We add $100 billion back to Medicare. We add $44 billion back to the Medicaid from the Kasich budget. We add back $5.6 billion in agriculture cuts. We restore the student loan cuts. We add $35 billion into the education area and, I believe, $12 billion into the area of health care.

Mr. STARK. You take that tax cut for the very rich and invest it in the bedrock of the American economy, in students and farmers and in the growing economy of our country.

Mr. PETERSON of Minnesota. That is exactly right.

Mr. STARK. Mr. Chairman, that seems very good to me.

Mr. PETERSON of Minnesota. Mr. Chairman, if the gentleman will continue to yield, I think that is the right way to go.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Pontiac, IL [Mr. EWING], a member of the Committee on the Budget.

Mr. EWING asked and was given permission to revise and extend his remarks.

Mr. EWING. Mr. Chairman, I rise in support of the budget resolution.

Mr. Chairman, there is something in this budget for everyone to dislike. That is probably why it is an excellent budget. For instance, I come from rural America, from agricultural land. For instance, the budget will cut $9 billion over 5 years from agricultural commodity programs alone. This comes on top of major reductions in agricultural expenditures over the last several years.

These cuts will be painful. They will be painful for producers, for American farmers, for agribusiness people, for those who share an interest and an investment in the great industrial agricultural-industrial business of this country, as we struggle to compete with heavily subsidized European agricultural programs.

But once again, those of us from farm country are willing to step up to the block and help reduce the deficit. The difference is this time the cuts that have been made will not go to additional Government spending, as they were in past administrations. They will go to deficit reduction. If every other program in the Federal budget had been cut, as agriculture has over the last few years by the Democratic controlled Congress, we would not be here today debating how to balance the budget. But that is history.

I am glad that this budget finally forces all segments of this Government to meet their responsibility in balancing the budget. For the first time we are going to start controlling Government expenditures and guarantee that the deficit will be zero by the year 2002.

This is real fiscal responsibility, the kind of Government management that the American people called for in the last election, not what the last speakers have been talking about, social spending increases. It is about time we tackled the issue. For the first time the budget reverses the tax and spend policy of the other side of the aisle. There is no telling how fast our economy can grow when we turn it loose and quit strangling it.

What are some of the things that will come out of a balanced budget? Well, let us first of all talk about tax relief. Tax relief is not just for the wealthy. I am certainly not wealthy. I do not expect one dime of tax relief, but there
will be a lot of tax relief for American families. That is better than the Government taking the money from them and spending it for them. And you are opposed to giving the families of America tax relief. I really cannot believe that.

Chairman Greenspan has said, what would come out of a balanced budget? Probably a 2-percent reduction in the interest rate. Well, I tell you, if you know anything about business or the economy, you know that is going to create jobs.

I would rather give American agriculture a 2-percent cut in interest rates than a bigger subsidy, and job creation.

Mr. STARK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, the caring majority budget of the congressional black caucus and the House progressive caucus is concerned about the jobs necessary to keep our economy a robust economy. Our priorities are clear: education, job training and job creation. And in the budget that we have put forward in the House, job creation, we provide for jobs, education and job training.

The budget boldly sets forth investments in the activities which will keep our nation prosperous at home and competitive internationally. And we do this by providing, first of all, a tax cut for hard-working Americans.

Our tax cut does go to all families. It does not favor the rich and the privileged. We invest more than $27 billion also over a 7-year period in education and job training by increasing function 500 by 25 percent. We protect major job creating functions. Other functions such as transportation, public works, commerce and health care are protected despite the pressure to make huge cuts.

We ensure that current services are continued for both Medicare and Medicaid. Medicaid and Medicare are fully maintained. We supported the President's position that Medicare and Medicaid should not be touched until we have a comprehensive health reform program.

We oppose all of the attempts to erode Social Security, including the extreme measure in the budget that will cut the COLA and have no cuts in the COLA. We advocate a more sane defense budget, a defense budget which offers a peace dividend to the taxpayers. These taxpayers have diligently supported the burden of massive modern military costs for years and years. Now we have no more Evil Empire. The Soviet Union is gone. Why do we have to continue to shoulder a massive military burden?

So our biggest cut is in the area of defense. And biggest saving is with money. We must recognize that although defense industries do create jobs, study after study has shown that you can create two jobs for every defense job that is created. With the dollars you spend, you can create two nondefense jobs.

So if you wanted to create jobs, you can create many more by spending them in other places, including, by the way, health care. Health care provides an enormous number of jobs. Although the business of health care is not to provide jobs; it is to take care of people, but health care is a labor intensive industry and it does provide jobs.

In order for us to accomplish all of this and balanced budget still go and have a balanced budget with minimum pain on families and individuals, we have focused on the closing of corporate tax loopholes. We have attempted to end the lopsided tax burden which has been forced upon wage earners via the personal income tax. Corporations used to shoulder as much as 39 percent of the responsibility for Federal revenue. Now the corporations only shoulder a mere 11.2 percent of the burden, and we are saying that we would like Congress to pass a budget that would increase it to a modest 15.9 percent of the total tax burden.

By the way, individuals should have 44 percent of the total tax burden. We would like to change that and in the budget that we have put forward in the House, we would like to change that and we generate. That is the policy key to a balanced budget. If you must have a balanced budget, and we do not think you need to balance the budget by the year 2002, but if you wanted to move toward balanced budgets, that is the way to do it is to correct the imbalance.

I have a chart here which shows that in 1943, 39.8 percent of the revenue burden was carried by corporate income taxes. In 1962, that dropped all the way down to 8 percent, from 39.8 percent all the way down to 8 percent in 1982.

During the Reagan years, from 1982 all the way to the end of his President, the burden fell as low as 8 percent of the total tax burden. It did not begin to back up until later on.

If Members want to balance the budget, let us let the American people in on the great secret. They as individuals, the American people as individuals and as families, are bearing a greater and greater percentage of the tax burden, while corporations have been allowed to get off with more and more. Therefore, we are closing tax loopholes. Who is it going to be? Is it going to be multinational corporations from taking advantage of our tax system? We want to end the multinational corporation swindle, and we want to close other loopholes. We can balance the budget without cutting Medicare, Medicaid, and without inflicting undue pain on the American people as individuals and as families. We can balance the budget while maintaining these vital programs and without inflicting undue pain on the American people as individuals and as families.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Texas [Mr. THORNBERY].

Mr. Chairman, there are, of course, many important issues we could debate with regard to this budget, including whether we will continue to saddle our children with debt, and whether an increase in the amount of money in a program, both totally and per beneficiary, is still going to be called a cut in Washington, D.C.

Another important issue is the size of government, and how much government, both in taxing and spending, takes out of the economy. This is not just abstract political theory, but it is very practical about what really works to improve the lives of regular folks. It affects every person in this country.

We can see now the administration sees an economic slowdown coming and is ready to point the finger of blame at somebody else. As Stephen Moore pointed out in his book "Government: America's Number One Growth Industry," the problem is very clear. He said:

The reason that America finds itself on an economic downward spiral is that today, Washington, DC, is taxing, spending, borrowing, mandating, decreeing, and regulating America to death. The private sector—business people, entrepreneurs, artists, workers, and families—is slowly suffocating under the weight of a relentlessly expanding government.

Mr. Chairman, the resolution reported out by the Committee on the Budget and the Neumann budget are the first things in a very long time in this House that begin to deal with each of those things that Moore identifies. It deals with the taxing, spending, borrowing, mandating, decreeing, the regulation that is consuming so much of our national wealth.

If we look at the numbers, government at all levels consumes more than ever before. One study found about 42 percent of our national income is spent by government these days. Other facts about government are equally astonishing. Government at all levels spends about $24,000 for every household in America. With the $25 trillion that local, State, and Federal governments spend, about all the farmland in the United States, plus all the assets of the Fortune 100 companies. There are more people working for the Government than are working for all the manufacturing industries combined.

The danger, I think, Mr. Chairman, is that we are on the verge of becoming what Margaret Thatcher called a nanny State, where the government takes too much from us to do too much and to give too much. As Stephen Moore pointed out in his address before the Economics Club of New York, said: "The growth of government in the 20th century demonstrates for all to see the strength of those things that Moore identifies. It deals with the taxing, spending, borrowing, mandating, decreeing, the regulation that is consuming so much of our national wealth.

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the size of Government. The President is fond of pointing out how he is making drastic reductions in Federal employment, but if we look at the numbers and take out one department, the Department of Defense, we will find out that the Clinton Administration’s budget is some 40 percent more than the Federal work force at the time of President Kennedy.

Mr. Chairman, I think it is absolutely necessary that we stop adding debt to our children. It is also necessary that we are still stinging out the national budget, we straighten out the family budget as well.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, the Republican budget says two things to the American public: Don’t get sick and don’t get old.

The Republican budget would cut Medicare by $280 billion over 7 years. To try to stave off this does not represent a real cut, I suggest they argue those semantics with senior citizens who will have to pay $1,000 more in extra Medicare premiums, deductibles, and copayments under the budget. I advise them, and I argue that, when seniors can not find a doctor to treat them because Medicare pays providers less and less. I will ask them to explain to my constituents why a Medicare cut three times bigger than any reduction ever used in the history of program does not represent real pain for senior citizens.

Let us not hide the facts. The Medicare cuts in the budget could decimate the only universal, portable health coverage we have in this country. When you combine these cuts with steep reductions in Medicaid’s coverage for nursing homes, the budget offers seniors a bitter pill to swallow.

Some have said that these cuts are needed to save Medicare. America knows better. The same budget that cuts Medicare by $280 would also enact $345 billion in tax breaks for the wealthy.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, I was going to follow the theme of Mr. Minge’s talk—look for the U.S. economy. Unfortunately, time will not permit much detail, but I would also like to address Laura D’Andrea Tyson’s recent statement that budget cuts pose significant downside risks to our economy.

I think this shows an antiquated notion that the more Government spends, the better off our economy. This does not seem consistent with what we have seen. A certain deficit—so does it not recognize what Government fundamentally does: Government redistributes wealth, it does not create it.

There are three real threats in the near term to our economy. First would be the budget: the deficit does not act seriously on the budget deficit that is facing us; second, that Japan resolves the run-up of its currency to our detriment; and third, that a trade war ensues between America and Japan. Let us explore all three for just a few moments.

First, our Nation’s budget deficit is the biggest threat to our economy. I think that for several reasons. First, if we were to look on relative terms, the ratio of public debt to gross domestic product (GDP) would be right for the United States. Right now is the highest that our Nation has ever faced. Second, a child born in America today will end up paying $187,000 in interest costs over the course of their lifetime, simply as their share of the debt.

Third, it is simple math. The standard of living is directly driven by productivity, which is driven by investment, which is driven by savings. The larger the Government share of the economy, the less personal savings will be, and there will be less money for investment.

The second near-term threat would be the international value of our currency. I think there are two grave dangers on this front. One is that almost anything that Japan does in the near term to correct its over-valued currency will hurt our economy.

At 75 yen to the dollar, Japan’s gross domestic product (GDP) equals America’s. Carl’s GDP makes sense. It is unsustainable, and will change. The only question is when.

Second, the risk of losing reserve currency status. If the Asian central banks were to use gold as a reserve asset instead of the dollar, or simply to decrease their dollar holdings, I think it would have very damaging consequences for the American economy.

Finally, I think the third risk facing us is the possibility of a trade war with Japan. This is clearly Congress’s job. I think it would be the ones most affected by this, because any escalation of global tariffs would especially hurt the largest trader in the world, which is the United States.

Specifically, I do not think that Japan is the problem. The problem facing our economy is a tax system that rewards consumption over savings and investment.

Mr. STARK. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I think all of us in this Chamber and across the country agree that the American deficit has reached critical and, of course, historic proportions, and that the No. 1 task before this body is to determine the course of action that is necessary to bring us out of the deficit and address the debt that still lingers, and to do so forthrightly.

Some of the challenges we have faced in this country is that we have even masked the true size of the debt and deficit. We have used the Social Security cash flow surplus for that purpose. We need to have a budget that actually discloses the true size of the deficit, and don’t get old.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Mississippi, and perhaps I could engage my distinguished ranking senior vice chairman in this colloquy for the minute or two remaining on our side.

Mr. TAYLOR of Mississippi. Mr. Chairman, let me begin by saying that I am very much in agreement with the fact that we have to balance the budget and balance it soon. I really resent, however, speaker after speaker coming to the podium telling people what a terrible Nation we have. This Nation saved the world from Hitler. This Nation saved the world from communism. This Nation saved the world, and all of it has a cost.

The gentleman from New Jersey [Mr. SAXTON], in his statements, said we would be much better off if we privatize everything. I am not in total disagreement that we ought to privatize some things. However, is it not realistic that the biggest expense to this Nation is the combined Medicare-Medicaid? The next biggest expense is national defense. The third largest expense is Social Security. On top of that, I yield to the gentleman from New Jersey, which of those things would we privatize, because we have just gobbled up almost 70 percent of the budget.
Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from New Jersey to respond.

Mr. SAXTON. First of all, Mr. Chairman, let me say, before the gentleman from Iowa [Mr. GANSEK] and the gentleman from Mississippi [Mr. TAYLOR] get up, Medicare and the Republican proposal would be that gentleman from Iowa [Mr. GANSEK] and the gentleman from Mississippi [Mr. TAYLOR] bring up, Medicare and the Republican proposal to make it grow.

Mr. STARK. The gentleman is close to being correct as he usually is.

Mr. SAXTON. I really don't propose to do the things that the gentleman has suggested.

Mr. STARK. Reclaiming my time, the gentleman is close to being accurate as he usually is on economic matters, but when it comes to discussing the privatization of Medicare, he is wrong.

The secret document wants to offer vouchers which will make it difficult to purchase health care. That is a step toward privatization, perhaps dressed in some kind of economic clothes that neither of us understand if that is the case.

I want to thank the gentleman from Mississippi for bringing out that privatization is not the end all and be all to economic growth.

I would like to ask the distinguished gentleman from New York if the budget that is on the table is the Black Caucus budget or is it a product of the same group that year after year has brought us a budget that has tried to be sensible about defense, has held back tax cuts to the very rich while concentrating on education, with investment and research for health care, with the things that create wealth in this country only through Government. If you could tell me where Lockheed or Martin Marietta gets any money to create wealth except through Uncle Sam, I think I miss my guess.

I ask the gentleman from New York [Mr. OWENS], is your budget balanced in the long run and if so how long?

Mr. OWENS. Mr. Chairman, if the gentleman will yield, our budget is balanced.

The CHAIRMAN. All time for the gentleman?

Mr. SAXTON. Mr. Chairman, I yield the final 2 minutes of our time to the gentleman from Iowa [Mr. GANSEK], the doctor who would like to discuss the subject that the gentleman from Mississippi [Mr. TAYLOR] brought up, Medicare and the Republican proposal to make it grow.

(Mr. GANSEK asked and was given permission to revise and extend his remarks.)

Mr. GANSEK. Mr. Speaker, there will be much talk about the Republican budget cutting Medicare and how Republican colleagues do not care about Medicare recipients.

Well, I am a Republican and a physician and I care deeply about providing quality care for the elderly and about balancing the budget.

The Medicare trust fund will be broke in the year 2002. Here is the trustees' report. Let me read from page 13. "The Medicare program is clearly unsustainable in its present form."

Page 14. The trustees say, "We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed."

What is the option the Democrats are proposing? Should we let the system go bankrupt in 2002 if we do that, we will have to increase the Medicare tax from 2.9 to 9 percent. If we don't control over 10 percent annual increases in Medicare growth, it does not take a neurosurgeon to figure out that in 30 years we will be spending the entire Federal budget on health care.

As a member of the Subcommittee on Health and Environment of the Committee on Commerce, I look forward to working with my Democratic and Republican colleagues. It will take some short-term solutions and some long-term fundamental changes, but we need to look at this. But the facts of this report and the compounding of interest on our national debt mean that if we diet now, we will be healthier tomorrow. If we continue the status quo, we will have a heart attack tomorrow.

Let me quote President Clinton.

President Clinton has said:

"Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So, you know, only in Washington do people believe one can get by believing twice the rate of inflation. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. Chairman, I care about my Medicare patients, and I want to make sure they have Medicare.

Mr. Chairman, I would like to say that the time the gentleman from Iowa [Mr. GANSEK] has 2 minutes left.

The CHAIRMAN. All time for the gentleman?

Mr. SAXTON. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, the way I would like to kind of give Mr. SAXTON a little background on how we put this together. As I pointed out earlier in the debate, we are going to go from $9.4 trillion spent over the last 7 years to $11.9 trillion. As you can tell, that is an increase in spending over the last 7 years, and if, in fact, we had stayed a course to the $13 trillion, folks, we would be very, very pessimistic about the long-term economic health of this country.

The things that we tried to do is to slow the growth of entitlement programs. Many people watching on TV, and trying to figure out what is this all about, keep hearing about cuts in all these entitlements. What you have to understand is in Washington if something does not go up as fast as somebody thinks it ought to go up, it is a cut.

I want to tell you an interesting, illustrative story about an interview I had with a reporter. The reporter said, "Well, Mr. KASICH, how do you define a cut and how do you define an increase?"

I said, "Well, let me put it to you in these terms, and you ought to take some notes on this. If, in fact, I get more money this year than I got last year, that is an increase, and if I get less money this year than I got last year, we are going to call that a cut, and if I get the same amount of money this year as I got last year, let's call that a freeze."

Now, I said, that is the way it works back in Westerville. A cut means less, an increase means more, and a freeze is a freeze.

In entitlement spending, we are going to go from $4.5 trillion to $6.4 trillion. Folks, you can see the blocks. It is an increase.

Medicare is going to go from about $910 billion to $1.6 trillion. That is an increase.

What we have attempted to do in this budget is to slow the increase in many of these entitlement programs. In other words, when you take all the entitlement programs of the Federal Government over the next 7 years, we will have made the design of entitlement programs that will serve the public by spending almost $6.5 trillion.

When I go home and ask people, "Do you think we can design the entitlement programs to spend $6.5 trillion?" they say, "Well, yeah, but why are you spending $6.5 trillion? Why are you spending so much?"

Down here in Washington if you say you are spending $6.5 trillion, they say you are cutting somebody.

People tell me on buses, on airplanes, in the gymnasium, "JOHN, why can't we get the language right? Why can't we describe this appropriately?"

Mr. Chairman, what we are doing in these entitlement programs, except for agriculture, is that we are going to spend more, far more than what we spent over the last 7 years, but we have to do it because we have people in need and we are trying to redesign the programs.

In the case of Medicare, which we will discuss later, we are saving it. If we grow Medicare at the rate that it is currently going, it goes bankrupt. Medicare will go bankrupt. So what we are
Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN asked and was given permission to revise and extend his remarks.

Mr. WAXMAN. Mr. Chairman, I appreciate the opportunity to address the House on the impact of this budget in the health area, particularly when it comes to Medicaid and Medicare.

Mr. Chairman, I want to point out to the press and other congresspeople who these Medicare recipients are. They are not rich people. Over three-fourths of them have incomes less than $25,000. They are people who are dependent on their Social Security checks. Thirty percent of older Americans rely on Social Security for some 80 percent of their incomes. A majority of older Americans rely on Social Security for at least half of their income.

If this Republican budget is adopted, the typical Medicare beneficiary going to see a reduction of 50 percent of their Social Security cost-of-living increases eaten up by increased Medicare cost sharing and premiums by the year 2002. Two million Americans who are on the Medicare Program would lose their eligibility for Medicare. Social Security simply to pay their additional Medicare costs as a result of this budget.

Are my Republican colleagues going to say to their constituents, that is not really a Social Security check? Are they going to argue then that even though the cost of living has gone up and their Social Security check has not, that they are not worse off?

There is something else about the Medicare beneficiaries that our Republican colleagues seem to forget. They are people who need a lot of health care. That is particularly true the older they get. When they get old and when they get sick, insurance companies do not want them.

The fastest growing group of Medicare beneficiaries are people over 85 years of age, the disabled, and people with end stage renal disease. No wonder Medicare expenditures are growing.

It costs money to be sick. They also seem to forget that people on Medicare pay a lot for their health care right now. The average elderly household pays 12 percent of its income for health care right now, and that is over 3 times as much as younger families pay. They pay Medicare premiums and deductibles, Medigap premiums. They pay for prescription drugs which are not covered under Medicare, and they spend about $2,750 out of pocket right now. Yet this budget will require them to pay more.

Another person writes, "Please do not eliminate these services."

One woman said, "For God's sake, please don't stop this."

Another person writes, "I am disabled senior citizen of 73. I only make $462 and my wife and I getting $695 a month and paying $335 to our HAP alone. Buying our medicine out of pocket now I have to cut back even further on my $546 monthly income."

She is 97. Another senior writes, "Being seniors you have to stay warm with less heat. As you get older, it gets colder."

Another woman writes, "People like myself, senior citizens, will suffer greatly. The winters in Michigan are very hard on disabled, old and the sick."

For God's sake, please don't stop this. I am disabled senior citizen of 73. I only make $462 in Social Security and $16 a month in SSI. Seems like people on Capitol Hill really don't care about us poor people. They are trying to put us into homelessness or make us commit suicide.

One woman writes, "The money I receive for my home heating credits stops me buying our heart medication and then I won't skip them."

One senior writes, "Another person writes, "I am disabled senior citizen of 73. I only make $462 and my wife and I getting $695 a month and paying $335 to our HAP alone. Buying our medicine out of pocket now I have to cut back even further on my $546 monthly income."

I feel sorry for all older people. Its too bad we cannot afford any luxuries whatsoever and are unable to pay our utility and other necessary bills. We did work hard all our lives and helped keep this country. So please help help ourselves. Just help us to survive the rest of our lives."
Last, someone writes, “We come very short on our money during the winter. Our only source of income is my husband’s Social Security disability. I think the Republicans have gone too far to help the rich.”

Mr. Chairman, I would have to agree. Mr. Sabo. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado [Mrs. Schroeder].

Mrs. Schroeder. Mr. Chairman, I thank the gentleman for yielding time to me, and I thank the gentleman from Minnesota who has provided such leadership on our side on this.

This is about promises made and promises broken, and I think that we really have to look at the very core of what we are talking about. It must be confusing to people, because people are trying to make out like we are not for balancing the budget. Yes, we are. We worried about the deficit. We started this in the first reduction last year all by ourselves.

But the question is how do you balance the budget, and who do you cut in getting to balance that budget.

I want to ask you to show me one American where they were able to put the table to put together their budget and they decide that they are going to cut the kids and they are going to cut the elderly and they are going to cut the infirm so they can give more money to the family budgets to those who are doing really well already. As I said, that is socialism for the rich. That is the dysfunctional family. That is not American values, and yet, that is what we are doing in this budget that is in front of us.

I brought Stephanie Clark along. She is from Denver. Stephanie Clark is very excited. Because of student loans she is finally graduating this year from CU Denver and she had hoped to be able to go on to Americorps. Guess what? Americorps is going away, and student loans are going to be severely impacted.

This is our future. These are the people who want to learn how to fish; they do not want to be given a fish, but they need help to get there.

As we look at this budget and we see that we cannot get a commitment on cutting back a lot of the benefits that business had, even the $25 billion that they have in the budget to take it out of whole categories for the rich, guess what, the committee is saying they will not do it.

As we look at all of the other things that are in there that are not being touched, because there are big, powerful people protecting those pot rocks, the people we are going after are the Stephanie Clarks of Denver, we are going after the elderly on Medicare who thought they had a contract with America already. And we are going after the most vulnerable.

I keep coming back to the same old thing. You do not attack your most vulnerable. Either we are a community or a bunch of isolated individuals, which I hope we are not, or we are a community of a country that reaches out and tries to help each other through some sort of shared ethic. That is what it is about.

Mr. Waxman. Mr. Chairman, will the gentleman yield to the distinguished woman from California?

Mr. Waxman. I thank the gentlewoman for her statement which talks about Medicare. But there is Medicare and there is Medicare. Awareness of the poor are on the Medicaid program. In fact most of the people on Medicaid are children, but most of the money goes to the elderly in nursing homes. That program is going to be devastated, it is going to be devastated, it is going to be block granted and cut in the amount that will go to the States.

But I just recall hearing from Edna Ferris, who talked to us at a conference on Monday. She talked about how they struggled with her husband and how she tried to keep him home as long as she could. When she could not manage it anymore, she looked to the Medicaid Program to help pay for the nursing home costs, which can be $5,000 a year, and more, and she did not have that money. So she went on Medicaid and the Medicaid Program kept her from being impoverished, allowed her to keep some of their money so she could live at home. If she had no Medicaid to protect her, all of her resources would have gone to that nursing-home care, and maybe her husband would not have been able to get in the nursing home because they are not going to take somebody for free.

So these programs help the most vulnerable in our population, and we should not forget that.

Mrs. Schroeder. The gentleman is absolutely correct. I just did a talk radio show where I talked to a woman who had adopted three medically dependent children and desperately needed Medicaid to help her, and I pointed out that was cheaper than institutionalization.

Mr. Kasich. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. Laizzo], a distinguished member of the Committee on the Budget.

Mr. Kolbe. Mr. Chairman, will the gentleman yield?

Mr. Laizzo. Mr. Chairman, I yield to the distinguished gentleman from Arizona.

Mr. Kolbe. Mr. Chairman, I thank the gentleman for yielding.

Mr. Laizzo of New York. The gentleman is correct, that my colleagues on the other side, whom I respect and in many cases admire, have had plenty of opportunities to move toward a balanced budget. They had the opportunity to vote for the balanced budget amendment and voted against it because they said there were not enough specifics. Then they were given the specifics and they said these were the wrong specifics. Thes no I was lue to be lectured as a dad who has two small children, two preschool children, Molly and Kelsey. I do not have a picture of my children here. Maybe I should have brought one, but you know this blank easel next to me should be for all of the children we are not going to save for tomorrow.

These are two of the most important days that I think I will have in my service in Congress, and I believe deeply in what I am doing here. I believe deeply because I want to be able to go back and touch my kids in bed at night and say to them they are going to have a better future, we are not going to pass the buck, we are not going to punt, we are not going to get involved in political demagoguery. We are going to save them a good thing. Republicans know it and Democrats know it. The debt is out of control. It erodes the ability for the next generation to have hope. It erodes their ability to have a sense of opportunity. We are doing something about they had an opportunity to vote for a balanced budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, what is her plan.

Mr. Laizzo of New York. The gentlewoman from Colorado talks about she wants to balance the budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, what is her plan.

Mr. Laizzo. The gentlewoman from Colorado talks about she wants to balance the budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, what is her plan.
to school and they cannot find a job after they go to school because they are so burdened with debt that there are no jobs left.

So, I really beseech my colleagues on the other side, who I respect, do not lect us and be compassionate, because I think it is misplaced.

Mr. Chairman, I rise today as a proud member of the House Budget Committee, but more importantly, I rise as the proud father of two young daughters, Molly and Kelsey. More than anything else in the world, I want to ensure that my two daughters have the opportunities that past generations of Americans have enjoyed and that they are not burdened by the shortsightedness of this body.

For reasons that my children, who are 2 and 3 years old, are still too young to realize, our actions today will have a profound effect on their future. America has always been known as the land of hope and opportunity. This is what I ask for my children and therefore ask my colleagues to think toward the future when they cast their votes on the budgets before the House.

As members of this body we have a moral imperative to pass this resolution and balance the budget. Without it our children will face uncertain futures in which they will face unimaginable obstacles. The late Senator J. William Fulbright once said, “A nation’s budget is full of moral implications; it tells what a society cares about and what it does not care about; it tells what its values are.” With this vote, we send a strong moral message that the status quo is unacceptable, a $4.8 trillion debt is unacceptable, annual deficits close to $200 billion are unacceptable, and it is unacceptable for Congress to continue running from these problems without consideration for America’s future. This budget represents hope, opportunity, and a positive vision for the future.

The budget we reported from the Budget Committee last week represents an historic opportunity, and a positive vision for the future. A balanced budget would redirect resources and increase per capita income by 16.1 percent interest rate reduction would create $150,000 home costs $74,000 more today. The public debt now totals almost $4.8 trillion—about $19,000 for every man, woman, and child in the United States. A large part of our taxes go to the interest payments on this debt, $235 billion—$643 million per day—this year alone. The impacts on the Federal debt are real, and a country that will be more productive, with a higher rate of net savings and a higher standard of living. It is a budget that outlines a positive future for our country, a future filled with hope and opportunity. We cannot continue on our current spending binge.

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Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentlewoman from New York. (Mrs. Lowey asked and was given permission to revise and extend her remarks.)

(Mrs. Lowey) Mr. Chairman, I just hung up the phone on Minnie Wilensky from Queens County. She cannot even watch this debate because she cannot afford cable. You can talk about big numbers and little numbers and how we have to raise it and cut it. All she knows is that her copayments are going to go up and her premiums are going to go up and she will not get a cost-of-living increase in Social Security. And Minnie Wilensky, who is a constant constant constant calcium, whether she buys the chicken or whether she cannot buy the chicken, because she lives on $11,000 a year, I just want to tell you the story because it is not a number in your statistics. Minnie lives in Queens County and she knows it is going to cost her more and she is going to pay more for the choice of doctor and more premiums and more deductibles, and that is what she knows.

Day after day we have heard how the Republicans have kept their promises to the American people. One after another the Republicans told us that promises made are promises kept. Well, Mr. Chairman, today we learn that Republican promises broken, a promise broken to a person like Minnie Wilensky from Queens County. Now, Speaker Gingrich and the Republican majority promised that they would not cut her Social Security benefits, but they are going to cut her COLA. They promised not to cut her Medicare, but they are going to raise her fees that she is going to have to pay. What is the truth? What does...
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the new budget say? The Republican budget does cut $24 billion from Social Security. Seniors who have worked hard their whole lives will lose hundreds of dollars in Social Security benefits. Social Security is a contract. The Republican majority has been saying for four years. They said they would not touch it. Well, they have. They admit that they have broken that promise, cutting Medicare, Social Security. This is how the Republicans are going to be able to go to college. She told me that with the average increase of $5,000 which is proposed in this budget, they are not going to be able to go to college. She has glaucoma. She and so many other seniors in my district cannot afford what they are already paying in prescription copayments and deductibles. How are you possibly going to afford these increases? As I mentioned, she lives on $11,600 a year. She is worried about her grandchildren, not only her own generation. She worries that her grandchildren will not be able to go to college. She told me that the average increase of $5,000 is proposed. I have to buy more medicine, I cannot buy the chicken. If I have to buy more in a grocery store, I have to constantly make those choices."

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cation.

Mr. PARKER. Mr. Chairman, it will come as no surprise to anybody in this body that a long time has been spent on programs such as Medicare. But the system is going broke. Something must be done to change the direction of Medicare or it will not be there. And it is important for the American people to understand that everyone must participate.

One of the major arguments that I had on the committee with other members, those on the Republican side, is that they wanted to exempt Social Security. I have a problem with that. I believe that senior citizens care about this country as much as we do, and I believe that they be given the opportunity to participate—that everyone should be treated the same. But, the Republicans won that argument. Social Security is untouched in this budget.

I am not suggesting elimination or the cutting of Social Security. What I want them to do is to participate in an equal way in which everybody is treated the same. That is fairness. I believe that instead of trying to put them in a position of being afraid that the money they have come to depend on will be cut out, that they need to look at this process from the standpoint of purchasing power and the economic stability that we all want.

When Alan Greenspan came to our committee, he made the statement that not since World War I has our economy ever experienced the pluses of a balanced budget, that we have not experienced what the positive aspects can be for this Nation if we are at a balanced budget. We need to look to the future. We need to look and see exactly what the pluses are going to be for everybody. And it is just like my grandmother, when she used to say, it is like finding the cure for cancer—but nobody wants to talk about the cure. All they want to do is talk about the chemotherapy you have to go through in order to get to wholeness.

Well, there is pain in this budget. No one with any common sense in this country has ever felt or ever said that we can resolve our financial situation and get back into a surplus without pain. We did not get into it overnight, and we are not going to get out of it overnight. And we all have to accept some responsibility for that. This is the first step on that road.

Many people have said they have a problem as far as the tax decrease. But 2 years ago, we had a tax increase that I voted against. I did not feel that we should go in that direction. I felt that we should cut spending first. I believe that we need to roll it back. The bill 2 years ago was a tax increase of $246 billion. But what we have in this package is $281 billion over 7 years. I believe this tax cut will relieve some of the pain during readjustment. But more than that I believe...
We must change. Don’t do any good. It is not working. Cial programs, where a lot of them throwing more and more money at so-called a lot of money. The same is true of defense, that wasn’t the answer. We wasting many Republicans believed we must destroying us. And just like when the chairperson of the pretense is continually demanded.”

Alan Greenspan said that all the talk about the next generation not having a better future than the previous generation will be gone if we are on a line to a balanced budget. If successful, we will unleash the power of our economy, the most powerful now, the most powerful that has ever been in the history of the world. An economy that can do phenomenal astounding things. We have to release the restrictions placed on us by the deficit and the debt. If you look at fairness, everyone participates. It is a fair budget. It is a hard budget. But it has to be hard or we will lose it.

For a long time, there have been many of us who have been pushing for us to get out fiscal house in order. The amazing thing about it is that if we had done this 10 years ago, it would have been so much easier. We could have made the necessary changes—we did not do it. Many people blame Ronald Reagan and the early 1980’s. That is, to some degree, true. There were problems back then—things were not handled right by either the Republicans or Democrats. But I think we need to go back further than that, back to the mid 1960’s when we put entitlement programs on automatic pilot and Congress abdicated its responsibility.

Compound interest is a fascinating thing when it comes to entitlement programs on automatic pilot, we abdicated our responsibility. What happened was we just sat back and our debt reached a trillion dollars by the time we reached the 1980’s. And when you start dealing with figures like that, you see growth that is devastating. Now we are approaching $5 trillion in debt.

We cannot sustain the debt that we have and the growth in deficit that we have. It cannot be sustained. And from a generational standpoint, when you look at our kids and our grandchildren, in order to maintain the programs that are in place, if the status quo exists, they are going to be paying from 75 to 84 percent of their salaries to the Federal Government just to maintain the programs that are there.

It has not worked. The status quo is destroying us. And just like when many Republicans believed we must throw more and more money at Defense, that wasn’t the answer. We wasted a lot of money. The same is true with these entitlement programs, where a lot of them don’t do any good. It is not working. We must change.

All of us care. All of us want to do what’s right. All of us love this Nation. But I believe the real choice is whether we really want a balanced budget. Do we really want it? Are we willing to pay the price to get to that point? You will vote for any bill that you want. But that bill, that bill that has been reported out of the Budget Committee, is going to be the bill that is going to make it or not.

I believe it is going to make it this week. And if you really believe in a balanced budget, if you really believe that this Nation, if you really believe that we need fiscal responsibility to come back in and be an integral part of our decision-making, if you really believe we need to take the first step to let the American people know we are serious about this problem, then you must vote for this.

I know all the political arguments. I know a lot of people are going to be calling. I know that a lot of people are going to be upset. In fact, I think everyone is going to be upset before it is over. But it is our responsibility. It is about time that everyone in this country got upset. It is about time that they realize we need to do something. It is about time they decided that they need to participate. The time has come. And I am very happy to be able to vote for this budget.

I am glad that I have been permitted to be here on this historic week, to participate in this process where we can actually make a difference—a true difference for this country where I look at my grandchildren and say I had a part in changing the direction of this country. And I did not worry about the political ramifications and I did not worry about my political future—I did what I felt was necessary.

That is what I want each of you to do. I want you to search your heart and do what you feel is right. If you disagree, then you have every right to disagree. But if you are like me and you feel that the time is come to change the course of this Nation, I ask you to join me and proudly vote for this budget.

Earlier I quoted President Lincoln, let me close with these words from John F. Kennedy:

...Democracy means much more than popular government and majority rule, much more than a system of political techniques to flatten or deceive powerful blocs of voters.

...The true democracy, living and growing and inspiring, puts its faith in the people—faith that the people will not simply elect men who will represent their views ably and faithfully, but also elect men who will exercise their conscientious judgment—faith that the people will not condemn those whose devotion to principle leads them to unpopular courses and courage, respect honor and ultimately recognize right.

I ask each of you to please join with me. Let us pass the committee budget—it is the right thing to do.

All is not well in America today. The wages of working people are stagnant. Corporations downsize or flee our shores altogether in search of cheap labor. Fewer workers have pensions to look forward to in old age and employers seek to squeeze employee health benefits.

Tragically, this budget does not address those fundamental problems. Instead, it would cut taxes for the rich, and—amazingly—it would pay for those tax cuts by cutting Medicare.

This Republican budget is an assault on the Medicare Program. We have a compact with our senior citizens. Between Social Security and Medicare, this country has reduced elderly poverty, tended to the sick, and assisted in long-term care for our mothers, our fathers, and our grandparents. With this budget, Mr. Chairman, all this could come to an end.

To our shock, this Republican budget would destroy years of trust between the Federal Government and seniors. The $283 billion in Medicare cuts would have severe different consequences. Many costs that are currently paid by the Medicare Program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductions, and coinsurance payments, such as the proposed 20 percent home health coinsurance.

Let me share the story of my friend and constituent, Mrs. Pat Eastman. Mrs. Eastman is a World War II veteran. She is 82 years old and lives alone. Mrs. Eastman has numerous medical problems. While she is a veteran, she does not qualify for medical service through the VA because she is not 50 percent service-connected disabled. Mrs. Eastman has to pay someone to transport her back and forth to the VA for her outpatient care. She has to pay a copayment for her medications. Recently, Mrs. Eastman was hospitalized for severe infections from Ecolı bacteria.
Since her discharge from the hospital, Mrs. Eastman has had to rely on the services of a visiting home nurse who comes to her home three times a week. Without these home health services, paid for by Medicare, Mrs. Eastman says she would have had to remain in the hospital or be transferred to a skilled nursing facility.

Mrs. Eastman has a long history of service to the Los Angeles community as well. She was a vote registrar. She sat on street corners and helped register people to vote. She continues to be a member of our California senior legislature. Pat Eastman has devoted her life to making her community and her country better.

It is estimated that approximately 3.8 million Medicare beneficiaries will use home health services, in 1996. Under current law, these services are covered by Medicare. If Republicans have their way, Mrs. Eastman and the other Medicare beneficiaries will have to pay an additional out-of-pocket for these health services; this amount will rise to $1,200 in 2002. This 20-percent coinsurance will not save money or reduce Medicare costs. It will simply drive many Medicare beneficiaries into nursing homes because they will not be able to afford the home health services that would enable them to remain at home.

At age 82, after all the hoopla surrounding the 50th anniversary of V–E Day, this heroic World War II veteran should not be abandoned.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT asked and was given permission to revise and extend his remarks.

Mr. TRAFICANT. Mr. Chairman, these budgets are going to cut seniors, workers, farmers, pensions, economic development, community development, roads, bridges, highways, wastewater treatment plants, sewer projects, all in America. These budgets will still provide billions and billions of dollars for the defense of Japan, Germany, Europe, and Russia. There is not one penny, one penny in cuts, for either Israel or Egypt, not one penny. We have a budget in America, my colleagues, that will not touch Israel, will not touch Egypt, takes care of Japan and Germany, but no one in America is free from the ax.

I will have no part of it. I am going to vote “no” on every one of these budgets because to me they are not an American budget, and, by God, where is the Democrat agenda?

Mr. Chairman, I say to my colleagues, “I don’t blame the Republicans. I commend you for some discipline. But what you’re disciplining is the American people. We shouldn’t be closed to bases in America. Close the bases overseas. We got troops falling out of chairs over there without arm rests. Bring them home. Let them cash their check in America.”

I am going to vote against all of this. None of this is worth my vote, and I think the Democrat Party better start working out a budget before we are a minority party for a damn long time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BENSEN].

Mr. BENTSEN. Mr. Chairman, let me start out by saying that my perspective on this is a little bit different than a lot of others. We have heard a lot about the need for more primary care doctors, but we are not going to get them under this budget because we are going to cut the funding for it. That makes no sense whatsoever.

Let us balance the budget, yes. But let us do it fairly. This budget is not fair. It does not address the problems fairly. There is a tax cut for the wealthy which we cannot afford, and it makes the middle class pay for it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise to denounce the Republican plan to pay for tax cuts for the wealthy by destroying Medicaid: our country’s ultimate health care safety net.

To fund their $340 billion tax cut for the wealthiest Americans, Republicans intend to slash the Medicaid benefits of 32 million Americans, 65 percent of whom are children and the elderly. Traditionally, their proposals ignore the human costs.

Republicans say they are increasing the Medicaid budget by 4 percent. What they do not say is that this meager increase is insufficient to offset the rapid growth of the elderly, the young, and the alarming rise of health care costs.

Under their proposal, the youngest Americans will suffer grievously. During 1988 to 1991, poor children receiving Medicaid coverage increased from 54.3 to 63.6 percent. This trend is projected to continue upward into the 21st century.

At present, Medicaid offsets the loss of private health coverage during economic downturns, giving millions of children coverage when parents are laid off.

The Republicans budget proposal, however, makes no allowances for coverage during economic decline. Therefore, when parents lose their jobs children will suffer without health coverage.

Without sufficient Medicaid funding, more than 3.7 million senior citizens currently receiving health services from Medicaid will also suffer. My district, Lake Forest and Ruth Haver are concerned about their health care future.

The Havers, in their eighties, living on a fixed income, are worried that the Medicaid cuts will make them unable to afford the health problems which have left Ruth homebound.

Steve, their only child and a local fire captain, is willing to do all he can financially.

He also worries whether that will be enough to help his mother keep her job.

The Medicaid safety net is vital to the health of older women, for it is women who bear the brunt of Republican cuts. Consider that: Women are 75
percent of all nursing home residents aged 65 and older and are more likely than men to have chronic disabling conditions; and, that women 75 or older have an average annual income of only $9,170—one-third the annual cost of medical care for the elderly.

To cap Medicaid spending at 4 percent, Republicans will leave millions of children, low-income elderly, and particularly women, without critical health services.

We must not sacrifice our Nation’s children, seniors, and families to benefit the wealthy. I urge the defeat of the Republican budget resolution.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], a member of the Committee on the Budget.

(Mrs. MEEK of Florida asked and was granted permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I am new to the Committee on the Budget. I commend the integrity and demonstrated brilliance of our chairman, Mr. KASICH. I commend the coolness and calmness under duress of my ranking member, Mr. SABO. I do not care, I am calling this entire thing the Kasich manifesto. He is behind all of this. He is a brilliant man, but he has not been to some of the places I have been, Mr. Chairman. He has not had those experiences.

I have heard today about misplaced compassion. There is no such thing as misplaced compassion. He met a couple in the hall that thanked him for trying to balance the budget. But he has not heard from the old lady in North Miami who said to me not “Thank you, CARRIE MEEK,” but “Why? Why is it that the budget has to be balanced on our backs?” I said, “Well, I voted against the balanced budget amendment because I felt it would be balanced on your backs.”

Then as I talked to a young student who came here in a wheelchair to say to me “I need help,” and he asked me also, why? I asked Mr. KASICH, why? Why? Why do we have to balance the budget on the backs of these people?

I hear all the numbers. I hear all the rebuttals. I see all the charts. But it is one thing that they do not answer: Why is the budget being cut the way it is?

Yes, we will work toward a balanced budget. But does it have to be done on the backs of poor people for the benefit of the rich? I want to say to each one of you: You cannot block grant your responsibility. You cannot block grant a method of providing quality care for the poor and the elderly population.

You have poor folks back home. You also have elderly people back home who cannot pay for the care they are going to need in the nursing homes. There are your old fathers, these are your disabled children. So you cannot balance that through a block grant program.

I feel that this is a concern which Congress has to keep. You cannot abdicate that responsibility. You cannot pass it off to the States. This is your responsibility, to take care of the people who are being taken care of through Medicaid. There is no other way.

I want you to say no to this budget, because what this budget does is it forgets about certain beneficiaries, laboratory services and x ray services, immunization, prenatal and nursing home care. You are thinking you can block grant Medicaid. You cannot do it. You want to save $5 billion over the next 7 years or so. Over $130 billion in cuts have to be absorbed by the States. I want to say to you, Mr. Chairman, and the admirable Mr. KASICH, it cannot be done.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from North Carolina [Mrs. MYRICK] a former mayor and a member of the Committee on the Budget.

Mrs. MYRICK. Mr. Chairman, we hear a lot about what is wrong with this budget, and I would like to talk a little bit about what is right with this budget.

Mr. Chairman, we feel that we have a moral responsibility to leave this world better than when we found it, and part of this is taking on that responsibility for our children’s future and looking at what we are going to leave them. In putting together this budget, it was not just quickly put together. There is much thought that has gone into this.

It has gone by line by line by program by program, agency by agency, and said is it necessary? Is there a better way to do it? Is it worth spending our children’s future?

I came here because of 6 grandchildren. In addition, I look after a 92-year-old elderly lady who has no family who is in a nursing home. So I am very familiar with what people are going through. We are handling that in our own family right now.

But we are doing a lot of things that are necessary in my district, and people are telling me it is necessary, we want you to do it. And I want to talk a little bit about some of the things the Chairman that needs to be done.

We are cutting foreign aid by $29 billion and eliminating a lot of wasteful programs. We are keeping our promise not to touch Social Security. There are not going to be any changes in Social Security coming down. We are block granting job training, because there are 163 different job training programs right now. It is very confusing. They do not all work. So we are finding how all this can work together and saying let us take the duplication out and really make it reach the people who need the job training.

We are eliminating some departments, Education, Commerce, and Energy, because there is a lot of wasteful bureaucratic structure there. There are over 71 duplicative programs in commerce throughout Government. That is ridiculous. It is a waste of money.

We also are terminating and privatizing 284 programs, agencies, and 69 commissions. Sure, there are good changes, but it is a better way to spend our tax dollars. Privatizing is the way to go. We are privatizing General Services, Public Broadcasting, other things that can carry their weight, only the open market, and looking for a better way to deliver the services.

We are stopping a lot of the Federal subsidies to business and industries, things they do not need Government help. They do it themselves.

So the bottom line is, we are looking at this responsibly. We care about what is going to happen. We care about where our children and our grandchildren are going to end up. And we want to make Government better, and let the people at home make their decisions and let them keep the money in their own pocket. They can spend it better than the Federal Government can.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL].

(Mr. BEVILL asked and was given permission to revise and extend his remarks.)

Mr. BEVILL. Mr. Chairman, the Committee on the Budget proposal to slash Medicare will put thousands of Alabama senior citizens in jeopardy. Many of them already have to choose between paying for food and paying for medicine. This dilemma will only get worse.

The Committee on the Budget has proposed to carve huge holes in the safety net which many elderly people depend on. Those who are teetering on the edge are more likely to fall through the cracks under this proposal.

Ruby Swann, of Glennco, AL, broke her leg a year ago and had to have a knee replacement this year. She is a widow, 76 years old, who lives on her Social Security. She told me people like her are just scared to death over this proposal, and I believe her.

Jessie Box, a 78-year-old widow from Etowah County, depends on her Social Security. She suffers with arthritis. She had a similar experience. These women are not alone, and under the House Committee on the Budget’s proposal, the average Alabama beneficiary will pay about $3,561 more out of pocket over the next seven years. Those who use home health care will pay an estimated $900 more for their services in 1996.

I have voted for every deficit reduction bill in recent history here in the House. But I will not vote for this bill,
produced by the majority party, which will put the financial burden on those who can least afford it, our senior citizens. It is just not right, and my colleagues know it.

Mr. Chairman, I am strongly opposed to this, and I urge my colleagues to defeat this budget measure.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. I would just like to point out that gentleman that in Alabama, the amount of money it gets is $3 billion under our plan. By the year 2002 it will get $4.3 billion. I point out to the gentleman from Alabama that the per beneficiary amount is $4,800. Under our plan it goes to $6,362.

Mr. Chairman, only in this town do you call an increase in spending cut.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Texas Mr. PETE GEREN. (Mr. PETE GEREN of Texas asked and was given permission to revise and extend his remarks.)

Mr. PETE GEREN of Texas. Mr. Chairman, I thank my friend for yielding.

The low point in my service as a Member of Congress was March 17, 1994, when the balanced budget amendment went down by 18 votes. A dozen Members who cosponsored the balanced budget amendment were persuaded at the last minute to vote against it, and they did, and that hurt it down.

It hit me that day that if a dozen Members were willing to suffer the embarrassment of voting against a bill that they had their name on, that they cosponsored, that forces behind deficit spending were so powerful that they would always win. The future would always lose. Political reality was that the status quo, the deficit, would always win. The arguments might change, but the results were always the same.

It hit me that day that what the cynics had always said was true, that everybody says they want a balanced budget, but no one is willing to do what it takes to get there. Everyone wants to go to heaven, nobody wants to die.

I concluded that we in Congress are doing nothing more than rearranging the deck chairs on the Titanic, and I wondered what we were doing here.

What was it, it was simple and depressing arithmetic: The United States was going to go broke. Not now, not today, but later, and with certainty. Now little more than a year later we are going to pass a balanced budget. The cynics were wrong. We can do it. We will do it. The debate is not if, the debate is how.

My colleagues, this is a great day. I do not care if your greatest concern is education, transportation, defense, children's health care in general, Medicare specifically, the point is we have been on is going to destroy it. There will not be less Medicare, there will be none. Eventually the debt on and the interest on it will destroy everything worthwhile that Government can do. That is simple arithmetic, and a year ago that seemed inevitable. Tomorrow we change course.

Who wins? All Americans. It is not the greedy men, versus women, rich versus poor, young versus old, have versus have-nots. As some of my colleagues would characterize it, everybody wins. A balanced budget means a brighter today and it means a brighter tomorrow.

Is the coalition plan perfect? No. Is the Kasich plan perfect? No. There are differences in the two, but they agree on the most important point: They balance the budget. A year ago a balanced budget was a pipe dream. Tomorrow, thanks to some courageous Members, it is a reality.

Some of my colleagues attacked these balanced budget provisions as mean-spirited and cruel. As compared to what? Mr. Chairman, the present course is cruel. The status quo is cruel. To beggar the future, to condemn future generations to financial ruin, is cruel, it is wrong. Balancing the budget is tough, harder than I ever imagined it would be. But it is not cruel, it is good, it is fair, it is the right thing to do, and tomorrow we will do it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

(Mr. FILNER asked and was given permission to revise and extend his remarks.)

Mr. FILNER. Mr. Chairman, I rise in strong opposition to the Republican budget resolution.

Mr. Chairman. I rise in strong opposition to the Republican budget resolution for fiscal year 1996.

I am filled both with awe and with sadness today. I am indeed awed by the tenacity, the discipline, and the enthusiasm of my colleagues on the other side of the aisle. Their zeal and determination in their quest for a balanced budget must be admired.

But I am also saddened. Would that they were a bit more compassionate, less greedy, more even-handed, less protective of special interests in their budget.

Let us take a closer look at this budget they are proposing.

Cuts for students from preschool through college, cuts for veterans, cuts for seniors, cuts for arts and culture, cuts for farmers, cuts for the working poor, cuts for middle-income Americans. Cuts for everyone except the wealthy and special interests.

Take one example: It seems that veterans—yes, our Nations' veterans—have been singled out for cuts beyond those proposed for other budgetary programs. I fail to understand how we can repay the very people who fought for our country with massive cuts to the medical care and benefits they were promised. Veterans Secretary Jesse Brown estimates that this budget will eliminate treatment for 1 million veterans versus and will reduce the number of veterans by almost 40 hospital beds. And, maybe saddest of all, it will cut programs to help home-lesser veterans get back into jobs and productive lives.

Another example: Of the programs targeted for elimination, over half are in education—from the smallest Cabinet Department which receives only 2 percent of the Federal budget. In fact, the Department of Education itself is scheduled for elimination under this proposal. Do we care about our children? Don't we know that a good education is the key to a good life?

Several million students will lose access to educational opportunities beyond high school due to reductions in Federal scholarship and grant programs. And with the elimination of the in-school interest exemption, the debt burden for students with loans could rise 20 to 50 percent.

This resolution attempts to control Medicare spending when it is widely acknowledged that Medicare can only be fixed in the context of overall health care reform. If this budget resolution becomes law, the result will be higher premiums, higher co-pays, and higher deductibles for senior citizens under Medicare. Already, many seniors are choosing between food and medicine, heat and in-home nursing care. In addition, reductions in the Federal Government's COLA formula is a back-door way of cutting Social Security benefits.

Lower and middle-income Americans seem not to count in this budget. By contrast, the wealthiest Americans and corporations not only are spared the wrath but are rewarded with tax cuts.

We do not have to cut programs that are the heart of what our country stands for in order to balance the budget. I recently introduced legislation to close a glaring loophole for a few giant mutual life insurance companies. Do you know that these companies have been paying no tax on earnings from business activity since approximately 1986? My bill, co-sponsored by Congresswoman HELEN CHENOWETH, would reduce the deficit and, at the same time, require new funding, attack no one's programs, and raise no new taxes.

What it does is close a $2 billion loophole—that is $2 billion per year. Closing this loophole would require only that these companies pay their fair share—and, at the same time, the Nation's small insurance companies would be helped by our efforts and would receive significant tax relief.

I cannot in good conscience vote to slash money from the earned-income tax credit which says that if you work, you should not have to live in poverty. I cannot in good conscience vote to slash low-income heating subsidies, Head Start, college loans, veterans' health care—when $2 billion corporate loopholes exist.

If we pass this budget, we will be trading one deficit for another—we will produce a deficit of compassion, a deficit of spirit. As a country, we are losing our soul.

We will be telling our children, you don't matter. We will be telling our seniors, you don't matter. We will be telling students and veterans, you don't matter. We will be telling hard-working, middle-class Americans, you don't matter.

I would say to my fellow colleagues that we all do matter. I urge you to vote against this budget resolution.

Mr. PETE GEREN of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, I was 1 of the 72 Democrats
who supported the balanced budget amendment earlier this year. Then, as now, I firmly believed that we must put our fiscal house in order. We must control spending. We must reduce the deficit. If we do not, quite simply the quality of life of all citizens, rich, poor, it matters not, will be all in this together, we all lose.

Let me say again, unequivocally, that to preserve the American dream, we must balance the budget. But, as with all things, there is a right way and a wrong way. Today I am in support of the alternative budget supported by my colleague from Texas, Mr. STENHOLM, and the gentleman from Utah, Mr. ORTON.

A level-headed approach to deficit reduction, it requires sacrifices from everyone. Our friends on the other side have couched their arguments essentially without detail, looking only toward the end product, which is the balanced budget.

Well, now that we agree on the end, let us look at the means. The Democratic alternative balances the budget and reduces the national debt $150 billion below the Republican plan. In the process of balancing the budget, however, we restore funding to guaranteed student loans, area of education, health research, and economic development.

So we can all agree on the benefits on deficit reduction for future generations. The Republican plan, however, would take place that same generation at risk by cutting student loans, underfunding Head Start, abolishing the Department of Education, and cutting funding for immunization and child care.

Under the Democratic plan, everyone is asked to sacrifice, but we also recognize the need to invest in America and in our future.

The real choice tomorrow will not be between balancing the budget or continuing deficit spending. The choice will be how do we want to balance the budget.

I say we have a responsibility to act responsibly and to support the alternative budget proposed by the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON].

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Cleveland, OH [Mr. HOKE], a member of the Committee on the Budget.

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

We are going to spend $115 to $12 trillion over the next 5 years. I have never seen from the other side the character more half empty than in the characterizations that we have heard about it. It is just, it is stunning. Let us talk about some specifics.

Church bells should peal from all over this Nation tomorrow as we do something that has not been done in 26 years. This is a cause for a celebration.

What does it mean? It means that our streets are going to be safer. It means that there are going to be greater opportunities for our children. It means that there will be more jobs. We are saving Medicare. We are preserving the blessings of liberty for our posterity. This is a time to celebrate.

I was asked by the chairman of this distinguished committee to head up the international affairs function working group, and I want to report to this House and to the American people that we have done exactly what they wanted us to do. We have done with foreign aid exactly what the American people have called on us to do for a long time, and that is to make some significant, significant realignments with respect to what we are doing.

We are talking about a reduction of $29 billion over 7 years from programs that are in the international functions. It means about a 22 to 25 percent reduction in spending. Let us talk specifically about some of the things that we are doing. We are reducing subsidies for the Export-Import Bank and for the Trade and Development Agency, privatizing the Overseas Private Investment Corporation, that is OPIC. That is commonly known to many people as corporate subsidies or also known as corporate welfare. We are ceasing supporting the International Development Agency, IDA. We are reforming the Multinational Development Bank. We are eliminating the United States Information Agency's cultural and educational exchanges, and we are terminating the overseas nonmilitary broadcasting.

We are also reforming and we are restructuring the State Department by absorbing ACDA, the Arms Control and Disarmament Agency and the Agency for International Development. We are completely revamping. In fact what we are doing are to deal with the State Department, we are doing exactly what the President's advisors had said to do, and then backed away from it the very last minute.

We are making the changes that America wants and we are doing it not just for this Congress but for the future generations, for the children.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I think the gentleman for yielding time to me and yielding the Committee on the Budget. My remarks will warrant no applause and certainly arouse not much interest other than simply some boredom. Because I come simply to tell the truth about Medicare, part A and B.

When you get your form in the mail and senior citizens look at it, they see part A and part B. The hospital insurance program, part A, pays for in-patient hospital care and other related care for those age 65 and older and for the long-term disabled.

Hospital insurance is financed primarily by payroll taxes with the taxes paid by current workers and their employers used mainly to benefit current beneficiaries. Income not currently needed to pay benefits and related expenses is held in the HI Trust Fund. So those working today pay for those needing today.

Why is it in trouble? Interestingly enough, it is in trouble for a good reason. They are increasing the number of elderly, our elderly population is growing. What do the Republicans want to do? Cap the program at 5 percent growth when the number of beneficiaries are growing in proportion. What kind of a reasoned brainstorm is that?

In 1994, 32 million seniors and 4 million disabled cost $104.5 billion, only $2 billion was put in of 141 million workers. The real issue is that what the medical trustees have suggested is the reason we have some sort of short range financial inadequacy is because seniors are growing, elderly populations are growing. Let us fix Medicare, not cut it.

My constituent, Viola Smith, 71 years old, Houston resident, arthritic Medicare recipient has said, Please, do all that you can to stop the harsh cuts with Medicare. You are not going to make it without my benefits.

Folks, this is smoke and mirrors. The reason we are talking about financial instability is because our senior population is growing. If you cut $283 billion with a growing senior population, what sense does it make?

I am here simply to tell the truth. Let us fix Medicare and let us not break it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL asked and was given permission to revise and extend his remarks.

Mr. DINGELL. Mr. Chairman, we are confronting here an interesting exercise in which relatively few choices exist with regard to the Members of this body. The measure before us, the base measure, is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable portions of our society: children, veterans, senior citizens.

Here are some of the cuts that are proposed: $280 billion reduction in Medicare with a growing senior population, to pay an additional $1,060 in out-of-pocket expenses in the year 2002.

Earlier today a Member on the other side of the aisle asked how anyone could characterize Medicare cuts as being draconian. I would simply quote that the distinguished current chairman of the Committee on Commerce charged that these cuts in the last session were draconian. These reductions are, those reductions were two-thirds below those suggested today.

Let us fix Medicare by cutting senior citizens COLAs by $24 billion between fiscal year 1999 and the year 2002. This will reduce the average
These changes will limit the access to health care for many older Americans and threaten their financial security. They risk in seniors being ejected from nursing homes.

It is clear that the Nation has to reduce the budget deficit. It is a threat to our long-term economic strength. However, attacking the most vulnerable, those who have concerns and who indeed are our future is unwise. Reducing the educational opportunities of our youngsters is perhaps one of the most foolish kinds of raids on good investment practices and good economic policies this country can make.

The benefits, however, that will be accrued from this proposal are those few in this country who already have plenty. Better than half the benefits in the $350 billion tax cut package that are before us in this legislation or will later come will go to Americans earning more than $100,000 a year.

During today’s debate, my colleagues on the other side of the aisle have frequently asserted that the big cut in the national debt over the last 14 years is the fault of the Democrats. Nothing is further from the truth. An examination will show that my Republican colleagues and indeed Presidents Bush and Reagan submitted and supported budgets wildly out of balance, and they made inaccurate assumptions and included asterisks to indicate that there might be some savings appearing at some future time.

The Democratic Congress has cut every one of those budgets save one. Indeed the Congress saved some $49 billion that was suggested for expenditure by the prior administrations.

I urge my colleagues not to reject this outrageous proposal.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996. This proposal is financially irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable in this Nationchildren, veterans and seniors.

The harsh cuts that have been proposed include:

- A $280 billion reduction in Medicare. This will require seniors to pay an additional $1,060 per beneficiary. The gentlewoman before talked about it being a cut when we are increasing spending. In Michigan, to the gentleman from Washington is an increase in spending.

- A $240 billion reduction in Medicaid by $184 billion. The resolution before us also reduces Medicaid by $184 billion.

- A $280 billion reduction in Medicare. This reduction results in seniors being knocked out of nursing homes.

- A $240 billion reduction in Medicaid by $240.

- The resolution also targets seniors by cutting Social Security COLAs by $24 billion between fiscal year 1999 and fiscal year 2002. This will decrease the average yearly benefit $6,100. The gentlewoman before talked about it being a cut when we are increasing Medicare in Texas. What better than half of the benefits of the $350 billion tax cut package that has been included go to Americans earning more than $100,000 a year.

- During today’s debate, my colleagues on the other side of the aisle have frequently asserted that the big cut in the national debt over the last 14 years is the fault of the Democrats. I believe an examination of recent history shows that the memories of my Republican colleagues, with respect to this matter, are very convenient.

- For 12 years, Presidents Reagan and Bush submitted budget proposals with rosy economic scenarios, inaccurate assumptions and asterisks instead of savings. While both called for a balanced budget, both submitted budgets grossly out of balance and left it to Congress to cut their requests. Congress did so in every year save one, the Clinton appropriated almost $30 billion less than both Republican Presidents requested.

- Now we are hearing that the administration is not committed to deficit reduction. This strikes me as peculiar indeed in light of the fact that our President, unlike his predecessors, had done more than just talk about deficit reduction.

- Two years ago when the President came forward with a very successful budget plan, a Republican alternative was nowhere to be found. Instead we heard fearful cries that the Clinton budget would lead to near-term economic calamity.

- Our distinguished speaker asserted that the budget plan would lead to a recession and actually increase the deficit.

- And, our majority leader classified it as job-killer in the short run.

- Despite the unwillingness of a single Republican to vote for the plan, it was passed and signed into law. The successes it has contributed to speak for themselves. Better than half of the $700 billion in deficit reduction; creation of close to 7 million jobs; and a tax cut for 20 million low-income working families. Yet, only the richest 2 percent have been asked to pay more in taxes.

- Now we are being asked to consider a package that takes a completely different approach. An approach, which I might add mirrors the failed supply-side economic policies of the Reagan and Bush years.

- It targets those who have been hurt most by trickle down policies— the low-income and middle-class families of this Nation. Over the past 15 years this group has seen their annual incomes stagnate and in many cases decline. The wealthy however have enjoyed unprecedented gains.

Mr. Chairman, this Voodoo Economics II budget plan does not represent a constructive and sound proposal for bringing the deficit down further. I urge my colleagues to vote against the resolution.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, only in Washington is an increase in spending a cut. In Michigan, to the gentleman that just spoke, we are going to expend $44 percent more in Medicare, the per beneficiary is going to go from $6,400 to $6,100. The gentlewoman before talked about it being a cut when we are increasing Medicare in Texas.

The per beneficiary is going to go from $5,000 to $6,600 per beneficiary.

Mr. SHAYS. Only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington asked and was given permission to revise and extend her remarks.

Ms. DUNN. Ms. DUNN of Washington, Mr. Chairman, I rise in favor of the Kasich budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the State of New Jersey [Ms. ROUKEMA].

Ms. ROUKEMA asked and was given permission to revise and extend her remarks.

Mr. ROUKEMA. Mr. Chairman, I rise in favor of the Kasich budget, the House of Representatives is debating a series of budget resolutions that all share a common trait: the Federal Government’s budget will be balanced by the year 2002.

The goal of a balanced budget is not an abstract exercise that some economists or green-eyed shade types thought-up in their ivory tower.

It is an essential economic tool to get the savings and capital investment we desperately need for research and development, and new plant and equipment to rebuild the American economy; keep us competitive in the global economy and create the good jobs we need at good wages we need for this generation and those to come.

Obviously, the various budget plans we will consider this week have different funding priorities—but that is exactly what the democratic process is all about, and it is a tribute to the diligence of many Members of Congress that we have several different paths this we can choose from in order to reach the goal of a balanced Federal budget.

Earlier this year, as I have repeatedly in the past, I voted in support of a balanced budget amendment to the Constitution. I did so because I believe that our country’s long-term economic health demands that the Federal Government’s fiscal house be put in order.
While the balanced budget amendment was narrowly defeated in the Senate, the need for Congress to do the right thing, and enact legislation that brings the budget into balance, remains as strong today as it was then. President Clinton's own budget plan, which was released only 4 months ago, projects $200 billion annual budget deficits as far into the future as the eye can see.

This, despite his own successful efforts in 1993 to enact a $500 billion deficit reduction package on top of the $500 billion deficit reduction package that President Bush negotiated in 1990.

An objective analysis of this situation can lead to one clear conclusion: our current budget is fundamentally and completely out-of-whack.

Our interest payments on the public debt, currently exceed $200 billion a year, and are projected to increase to a mind-boggling $300 billion within the next 4 years.

If nothing is done, our country is headed for a fiscal disaster.

At the same time, in order to avoid this fiscal disaster, balancing the budget will require everyone in the United States to share some of the sacrifice associated with reducing the Federal Government's projected increases in spending by roughly $1 trillion over the next 7 years.

While I recognize that the opponents of House Concurrent Resolution 67 can point to this detail or that detail as unacceptable, but the fact remains that the Budget Committee's plan does not even lead to the free ride that we struggle toward a balanced budget.

The defense budget will have to take its fair share of the necessary spending reductions. No department can be exempt.

The domestic discretionary budget, which provides funds for most Federal education, housing, environmental, and health programs, will have to make due with $190 billion less over the next 7 years.

The non-health care entitlement programs, such as Federal employees' pensions, crop subsidies, and welfare programs to name just a few, are facing $220 billion less in funding than originally assumed.

And Medicare and Medicaid, the Federal health care programs for the elderly and low-income respectively, will be asked to make due with $470 billion in less spending than current budget trends call for.

Without question, this area of saving raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

Some of the recommendations that have been discussed in recent weeks will be subject to intense analysis by this Member of Congress as the House Ways and Means Committee wrestles with the reconciliation instructions it will receive from this document.

But, absent some significant reform what will happen to the Medicare and Medicaid Programs?

Well, for the second year in a row, the trustees for the Medicare Program have concluded that the program will go bankrupt in 7 years if nothing is changed.

Clearly, strong action and bold leadership is needed to ensure that our elderly will be able to receive necessary medical treatment through the Medicare Program, and that Medicare will be there for many hard-working families who will become eligible for Medicare in the next 20 years.

I, for one, support the establishment of a bi-partisan blue ribbon Medicare commission—modeled after the very successful Greenspan Commission on Social Security in the mid-1990s—to make recommendations for preserving and protecting this vital program, which the Congress should enact in a fiscally prudent and politically sound manner.

While the Budget Committee's plan does call for some dramatic changes to the program, we must keep in mind that the alternative is completely unacceptable: a bankrupted Medicare Program that does not help the elderly and is not there for anyone else either.

With respect to the ongoing efforts to provide tax relief to middle class families with some tax relief, I supported H.R. 1215 earlier this year because it contained many elements, such as expanded individual retirement accounts, capital gains tax relief, expanded capital investment deductions for small businesses, of a "Save and Invest in America Agenda", which I have long advocated.

Indeed, I was one of a small group of Republicans that petitioned our leadership to defer any tax reductions until we had certified that the budget was, in fact, going to be balanced. These conditions are not included in the Budget Committee's plan.

It is for this reason that I strongly prefer the budget plan drafted by the Budget Committee chairman in the other body, Senator Pete Domenici.

However, we must be mindful that the House Budget Committee's changes in the Tax Code do result in lower Federal revenues in the short-term, which in turn requires that the Congress cut spending further in order to offset these losses.

Currently, the Budget Committee plan provides for $350 in additional spending cuts over 7 years to compensate for the tax relief package.

Perhaps when the conference committee meets to reconcile the House and Senate budget resolutions, they can reach a compromise that provides needed "Save and Invest in America" tax changes without requiring almost $400 billion in additional spending cuts to compensate for them.

Nevertheless, I will vote in support of House passage for this measure because it is important to keep this process moving forward, notwithstanding these concerns.

In conclusion, Mr. Chairman, approving the Budget Committee's proposal represents the first step in our annual budget process. The 13 regular appropriations bills, combined with an omnibus budget reconciliation package, will be where the nitty-gritty details of this budget plan get worked out.

That process will not be without difficulty, but as we prepare to enact legislation that balances the Federal budget we should not kid ourselves into thinking that it will be easy to do. At the same time, we should acknowledge the terrible cost to our Nation if we do nothing.

Balancing the Federal budget is essential to protect our Nation's long-term financial health, and to ensure that the country our children and grandchildren inherit is as great as the one our parents gave us.

Mr. Kasich. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. Gallegly].

(Mr. Gallegly asked and was given permission to revise and extend his remarks.)

Mr. Gallegly. Mr. Chairman, I stand in strong support of this budget.

Mr. Sabo. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. Menendez].

(Mr. Menendez asked and was given permission to revise and extend his remarks.)

Mr. Menendez. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, why are the Republicans proposing a cut of $282 billion to Medicare?

They tell us it is to save Medicare from bankruptcy. But nobody has asked why the plan to save Medicare is in the budget. Could we not save Medicare with another bill?

In fact, they tried it yesterday. Their solution was to vote on a bill that would ask the Medicare trustees to come up with a plan to save Medicare from bankruptcy. But if they are asking the trustees to come up with a plan, what is it that we are voting on today? Do they have a plan, or do they not?

It turns out that one of the trustees has already given an estimate of how much spending would have to be reduced in order to save Medicare from bankruptcy. Asked during testimony before the Senate Budget Committee how much it would take to make the fund solvent by 2002, public trustee Stanford G. Ross answered that it would take about $130 billion in cuts.

So again, why are the Republicans proposing a cut of $282 billion to Medicare?

What are their plans for the other $150 billion?

The answer is, they are giving it away through tax cuts to the wealthy.

Once again, they are cutting an extra $150 billion from Medicare to pay for tax cuts for the wealthy. This while some Republicans are busy telling seniors that Medicare isn't sacred, and that they should tighten their belts.
Mr. Chairman, my mother knows just what it means to have to tighten her belt. She has worked all her life, for years and years in a factory in New Jersey. Today, Medicare pays for her health care. What do such huge numbers in the Republican budget mean to her? Higher copayments, higher out-of-pocket expenses overall. On average, over $1,000 a year more from her pocket.

My mother is lucky. If increased health care costs make it impossible to make ends meet, one family has she can turn to for help. But what happens to those seniors who do not? Do they just tighten their belts a little more?

Who are tightening their belts with this plan, Mr. Chairman? How does a capital gains tax cut tighten anyone's belt? The top 12 percent of earners in this country are going to share in over 75 percent of the benefits from that tax cut, thanks to the extra $50 billion in savings from the cap on dividends. That is what this budget is all about; seniors tightening their belts, while Wall Street wonders take their swollen checks to the bank.

Mr. Chairman, let me say to my Republican colleagues, they cannot tell my mother or any other senior citizen in New Jersey or in the Nation that this is not going to cost them one single dime more from their pocket. It is going to cost them very significantly, no matter what they read.

As it relates to the other thing they keep referring to, the 1993 deficit reduction vote, let me say that in my district, that meant over 50,000 families in my district got a tax cut, so they should keep reading their figures, but be honest to the seniors in this country. It is going to cost them more, and they are cutting in a manner that is disproportionate and unfair to people who have worked a lifetime. Vote against this budget.

Mr. KOLBE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget and chairman of one of our task forces.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I think it is relevant to note that my colleague who just spoke voted for the Clinton tax hike of 1993. It cost my district $431 million. I think it is also regrettable he voted against the balanced budget amendment.

Mr. Chairman, on the committee on the Budget's way to balancing the budget in 7 years, and increasing the amount that Medicare beneficiaries are going to receive by 33 percent, we have also made Congress and Government tighten its belt first. For example, we have eliminated 3 unnecessary Cabinet departments, we have stopped 284 big Government programs, we have eliminated 69 wasteful commissions, and eliminated 13 agencies, as well. We have also eliminated the favorable pension treatment Members of Congress and congressional staff used to receive. We make permanent the one-third cut in congressional committee staff. We keep our promise. We made permanent a 15-percent cut in White House staff. We helped the President keep his promise.

Mr. Chairman, we also discarded needless bureaucracy. For example, we ended 69 unnecessary big Government commissions, including the Fasteners of the Ceiling, Coalition Working Group, Advisory Panel, and we also reduced all Government agency overhead and indirect cost.

Mr. Chairman, the House has a historic opportunity by the one-not in a quarter century. For the first time in 25 years, we can give our children a better future, restore the American dream, and end the slide in living standards. Finally, after too many unkept promises, a long, long tax increase on small enterprises, and too little will to do the right thing, Congress will keep its word. This week we have a real life proposal that restrains the growth in Government's budget to increase the family's budget. Since 1969, the last time our Federal budget was balanced, this Government has run up a $4.7 trillion debt. Our annual deficits of $176 billion plus raise interest rates by an average of 2 percent. That means our deficit costs the typical homeowner tens of thousands of dollars. It also slows growth, closes small businesses, and destroys jobs.

In 1950 the Government took $1 out of every 100 earned by the American family. Today it takes $1 out of every 4 our family has earned. The combination of local, State, and Federal taxes now consumes 40 percent of the typical family's income, an all-time record high. That is wrong. Remember, it is not the Government's money to take, it is the family's money to keep. A lot of scare tactics and demagoguery are being used today. Some on the other side of the aisle have tried to frighten seniors, students, and others. These naysayers turn American earning class against the taxing and spending class. Versus the boss, or the young against the grandparent, or the worker, against worker, but the American people know better. The people who do the work, pay the taxes, raise the children, and care for the grandchildren will not be divided, one against another. It is not the worker versus the boss, or the young against the old, it is the working and earning class against the taxing and spending class.

This past November the working and earning class spoke loudly and clearly. Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. OLVER], a member of the committee. (Mr. OLVER asked and was given permission to revise and extend his remarks.)

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me. Mr. Chairman, Republicans are cutting Medicare for 35 million American elder citizens and giving tax breaks to the wealthiest Americans and the most privileged Americans. This budget resolution includes, on the one hand, $280 billion in cuts in Medicare for elders, and on the other hand, $340 billion in tax cuts, mostly going to the richest Americans.

The cold numbers are almost too large to understand, but I met with Ruth Jackson on Monday. She lives in Holyoke, MA. She is 77 years old. She has diabetes. Her eyesight is too poor to be able to give her own insulin shots. She has arthritis. She moves around poorly, with a walker. She lives in the smallest public housing unit available, and this grandmother is the rock on which two of her grandchildren, a grandson in fifth grade and a grand-daughter in fifth grade, depend in their broken family. One of them actually lives with her every day. She lives on Social Security and has nothing else. She voted for the taxes in and provides her 7 days a week for 35 minutes or half an hour an insulin shot. She has to 4 hours a day of personal care.

Mr. Chairman, this Republican resolution increases her Medicare costs by about $4,000, and cuts her home health care. She cannot live independently. She cannot be the stable base for her grandchildren if she is forced into a nursing home. There are millions of Americans 72, 77, 85, mostly surviving women who are like Ruth Jackson, one way or the other. They lose their personal care, housing, home heating, drugs under this resolution.

Mr. Chairman, the Republicans promised to give big tax cuts for the wealthiest Americans and the most privileged Americans, so they are keeping a promise that every American working person knows, that the rich are going to get richer under this deal. And we all, deep in our hearts, understand that these Republican policies do in fact make the rich richer.

However, are we Americans willing to take hundreds of billions of dollars from our elders on Medicare, our most vulnerable and poorest elder citizens, our unemployed and our very poorest, whose only medical care comes from Medicaid, so that those richest Americans can have a tax cut, and therefore be a great deal richer? I hope not. I hope we will vote against this resolution, and vote for the coalition resolution in its place.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to point out to the gentleman that we are spending more money on Medicare. In Massachusetts, we will cut 40 percent of the payment of the next 7 years on Medicare. The payment per beneficiary is going to go up from $5,900 to $7,814. Only in Washington, only in Washington, when you spend...
more money, do people call it a cut. We are going to improve this system.

Mr. SABO. Mr. Chairman, I yield myself 3 minutes so I can ask the gentleman from Connecticut a question.

The CHAIRMAN. The gentleman from Minnesota [Mr. Sabo] is recognized for 3 minutes.

Mr. SABO. Mr. Chairman, I am just curious. Clearly these Medicare cuts, whatever they are, in the gentleman's resolution are going to pay for a substantial tax cut, but I am just curious, he has not given me my Minnesota number. Give me my Minnesota number. Then I would like to hear the Connecticut number.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, let me just ask the gentleman, does he not understand when you are spending more money, you are spending more money?

Mr. SABO. I fully understand what the gentleman is saying.

Mr. SHAYS. I just need to know that is the case.

Mr. SABO. I would just simply say to the gentleman, Mr. Chairman, I am amazed how simple and easy it is going to be to modify the Medicare Program.

I am just curious, what is the number for Minnesota?

Mr. SHAYS. If the gentleman will continue to yield, in Minnesota the gentleman has an amount of money for Medicare now of $2 billion 429.

Mr. SABO. What is the per recipient number?

Mr. SHAYS. It will go up $3 billion 400. It will go up 40 percent.

Mr. SABO. Just so the gentleman knows my question, what is the per recipient number in Minnesota?

Mr. SHAYS. The per recipient number in Minnesota, given that they are getting 40 percent more in the next 7 years, it is presently $3,840. It goes up to $5,000 per beneficiary.

Mr. SABO. Mr. Chairman, I would ask the gentleman, what is the number in Connecticut?

Mr. SHAYS. If the gentleman will yield further, in Connecticut we are given from the Federal Government in Medicare $2.5 billion, and it goes up to $3.6 billion. That is a 40 percent increase. We are equal. Per beneficiary it is $5,135, and that will go up to $6,782 per beneficiary, per beneficiary.

Mr. SABO. Mr. Chairman, I am just curious how the gentleman from Connecticut is going to deal with this significant difference in cost between the State of Minnesota and the State of Connecticut. We provide good quality health care, substantially less, and what I hear is the recipients, the reimbursement in Connecticut is substantially higher than it is in Minnesota.

Mr. SHAYS. I want to make sure I understand the gentleman. The gentleman says in Minnesota he provides good health care. I think we do in Connecticut, as well. In both instances, we are getting 40 percent more in the next 7 years.

Mr. SABO. The gentleman from Connecticut is receiving, as I heard, over $1,000 more per recipient.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. REGULA], chairman of the Subcommittee on the Interior of the Committee on Appropriations.

(Mr. REGULA asked and was given permission to revise and extend his remarks.)

Mr. REGULA. Mr. Chairman, let me preface my remarks by saying that I applaud the hard work that has gone into producing this budget resolution, a resolution that puts us on a path to a balanced budget. I want to particularly recognize my colleague from Ohio, the chairman of the Budget Committee, Mr. KASICH, for his unwavering dedication to the balanced budget objective. He is a prime example of the finish line and while I may not personally agree with all of the assumptions in this resolution I plan to support this budget because I too believe the goal of a balanced budget must be paramount.

I would like to discuss some of the assumptions of the proposed budget resolution that concerns me and that is the assumption that the functions of the Department of Energy should be phased out. Many of these functions are important to the future of this Nation. It is not within our responsibility these in the most cost-effective way possible.

The argument for phasing out the Department is based on the assumption that it was solely created to deal with an energy crisis the country experienced in the 1970's. The crisis no longer exists and therefore the rationale for the functions of the Department no longer exists.

It is unwise, for us as a nation, to be so complacent as to assume that another energy crisis is not only not a probability, but not even a possibility. Just 4 short years ago—in the action Desert Storm—we put over 400,000 American men and women into harms way to protect the availability of energy resources that we are once again taking for granted.

Much of the work the Department or its successor organizations is doing, in partnership with American industries, is the very reason we can hope to avoid a future energy crisis and, I would argue, that money spent on those research, development, and demonstration projects is far more cost effective than putting American lives at risk to protect Persian Gulf oilfields.

A recent op-ed piece written by former President Reagan's Energy Secretary, Don Hodel, "Forebodings of Another Oil Shortage," put it starkly: "America is sleepwalking into a disaster. Within the next two years, we will experience annual energy expenditures of $1,000 more per recipient."

According to the former secretary the threat of this crisis once again comes from the unstable Persian Gulf which currently supplies 44 percent of United States oil imports. The recent DOE annual energy outlook projects this figure rising to more than 65 percent by the year 2010. Saudi Arabia alone supplied almost 19 percent of the United States import market last year and provided over 25 percent as recently as 1992. The threat of lost oil production in that region is once again in question.

In February of this year the President concurred with the Department of Commerce's finding that the Nation's growing reliance on imports of crude oil and refined petroleum products threatens the Nation's 1993 U.S. oil imports surpassed the 1977—a time of crisis—record level by 1.8 percent. The warning signs are clear and yet today we are sending signals that either we do not believe a crisis is a possibility or that energy is not a critical commodity.

My second point relates to the actual programs and mission of the Department or its successors and their impact on our international posture in terms of maintaining and improving our global competitiveness. We are continuing to grow the economy. To be truly strong, the American economy must be efficient, clean and fueled by stable and affordable supplies of energy. Assuring this supply and improving efficiencies and environmental performance of our energy resources is one of the important missions of our energy policy. Many of the energy programs are cost shared partnerships with U.S. industries that hold the key to achieving these goals.

Just last week I received a letter from one of the participants in just such a partnership. The company, a small one located in Cleveland, OH is attempting to develop and commercialize a process for the recovery of usable materials from salt cake, a waste product generated by the aluminum industry. Commercialization of this technology would not only reduce the operating costs in the aluminum industry through reduced energy expenditures, but it would also eliminate the 550,000 tons of salt cake that are presently being landfilled in the U.S. each year. This small company is cost sharing in excess of 70 percent of the total project cost with the Department. As the President of this company concluded in his letter to me, this research is "critical to the development of new technologies by American companies such as ours."

Despite the fact that each of us is heavily reliant on energy in our daily lives, it is one of those luxuries that is easy to ignore as long as it is plentiful and reasonably priced. In the not too distant past, energy was an afterthought in economic planning. Today, energy is a principal factor in any business strategy and American businesses can no longer ignore the competitive advantage of energy in their bottom line and are constantly working to reduce energy costs to maintain or improve their competitiveness.
Transportation is one good example. It is a key industry and a key component in our overall energy equation accounting for 27 percent of our total energy consumption and 66 percent of the total petroleum use. Moreover, 97 percent of our transportation sector energy demands are satisfied by petroleum. Clearly to reduce our dependence on oil imports it is imperative that we change the transportation sector's energy demand patterns. The programs funded in my subcommittee's jurisdiction, in partnership with DOE are addressing that issue. These programs are projected to reduce oil imports by 2.3 million barrels a day by the year 2000 creasing a savings for drivers and a trade deficit reduction of $47 million per year.

Energy use is an environmental issue as well. The production and use of energy cause more environmental damage than any other human activity in the world today. Without significant changes in energy sources and consumption patterns, the problem will worsen. Without cleaner energy sources and technologies, worsening environmental problems can be expected to lead to regulatory actions that can severely hamper economic growth.

I have repeatedly said during my subcommittee's hearings that what the November election was about was not abolishing government, but making it work more efficiently and more effectively. I am persuaded that many Departments and Agencies a healthy dose of streamlining and downsizing and I am equally persuaded that they are getting the message. For example the Secretary of DOE recently announced a proposed $14 billion contribution to deficit reduction over the next 5 years. I applaud these initiatives and I am committed to working with the Agencies such as DOE or its successors to make those promised savings a reality. I believe there are core, fundamental missions in the field of Energy. With respect to the programs I am most familiar with those missions involve promoting, in partnership with U.S. industries, fundamental science and technology advances which will help keep us competitive in a global economy and which provide the long-term basis for economic growth, job creation and improved quality of life; and enhancing our energy security by helping safeguard our energy supply sources and facilities and those and their associated threats to the United States.

These missions can be accomplished in streamlined Departments, and Agencies but may be lost in a costly realignment that would be necessitated by their complete dismantlement. Energy is the lifeblood of a strong expanding economy that is essential if we are to be successful in balancing the budget.

Public-private partnerships can do so much to reduce the cost of government while maintaining our technological leadership and making our programs very cost effective.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. BROWNBACK], a very hardworking member of the committee.

(Mr. BROWNBACK asked and was given permission to revise and extend his remarks.

Mr. BROWNBACK. Mr. Chairman, I just would like to make a couple of quick comments and then talk briefly about the agency elimination that we have been talking about in the overall budget.

Mr. Chairman, I hear a lot of comments about, well, we are cutting taxes and that is wrong, we should not be cutting taxes, that the American people need to pay all this money into the Government.

I make the simple point, and I ask the American people that are watching and listening, do you know how long today you work to pay the taxes at all levels, Federal, State, local, all levels combined?

The answer is, you work until May 5. You just passed Tax Freedom Day that you work. I think if you get back a lit- tle bit of that, that is your money, and you are working hard enough and long enough for the Government.

The other thing I hear a lot is people saying, well, we are not spending enough on Government programs. In- deed, many of these programs are very good programs, very worthwhile programs. But I simply point out that around the turn of the century, the Federal Government as a percentage of this economy was roughly 3 percent of this economy. That is what it was. It was 3 percent. Now it is 23 percent of this overall economy.

Overall I would like to point out, we are eliminating in our budget package three Cabinets, Department of Commerce, Energy, and Education. We are following a process and a procedure here.

This is not just a thing of, OK, we are going to go in and eliminate them completely and they are out of there, they are gone. We are thinking this through and asking the questions of how can we do this better? How can the American people get these services? We are going through a process of asking, can we localize these services, send it back to the State and local units of government?

Do we privatize? Are these services that can be done better in the private sector? Can we be more efficient by doing it there? Can we consolidate, within other Federal agencies and pro- grams, services that are currently done somewhere else? We have 17 agencies doing trade promotion. Do we need that many of them? Can we consoli- date?

What can we eliminate? What services that we are currently doing are high priority and it is time to move on, particularly at a time that we state clearly and unequivocally to the American people, we are broke.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. SHAYS] can get up and give us any number he wants to, but that number will not anywhere match the figure that these growth States are facing today from 2001 to 2002. I think it is grossly unfair. I think it is a demagogical denial here of what you are doing to these States that have exp- loding populations, and they are going to go bankrupt before you ever talk about the Federal Government.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MILLER], a distinguished member of the Committee on the Budget and the Committee on Appropriations.

Mr. MILLER of Florida. Mr. Chairman, we have heard a lot of distortions and scare tactics coming from the Democrats about Medicare, but I am not surprised. The sad fact is they have no ideas of their own and no plan to restore Medicare to solvency. They have nothing left to do but pre- sent Republican plans to save Medicare from bankruptcy. That is bad news for America's seniors.

According to today's Washington Post, the Clinton White House and the congressional Democrats have made a conscious political decision to defend the status quo, to delay change and distort the facts. Like Nero was watch- ing Rome, the Democrats are fiddling, polling, and politicking while the Medi- care trust fund burns. That is just sad and it is dead flat wrong.

Here is the bottom line. The Republican budget resolution restores Medi- care, saving the trust fund from bankrupt- cny. In 2002, Medicare spending will be 4 percent higher than projected under the Republican plan. Under the Demo- cratic budget, in 2002 the Medicare fund goes bankrupt, zero, it is broke.
Don't be confused by the Democrats' distortions. Restoring Medicare has nothing to do with the tax provisions in the contract. Yes, we return a small portion of each working American's hard-earned tax dollars to the family budget. But without the tax cuts, Medicare will go bankrupt if we follow the Democrats' status quo plan.

That is not Dan Miller speaking or Newt Gingrich speaking, this is the public trustees of the Medicare Program, including members of the President's Cabinet.

Here is what the trustees say: "The Medicare Program is clearly unsustainable in its present form. It is now clear that Medicare reform needs to be addressed urgently."

One more time: There are two choices. Under the Republican budget resolution, in 2002 the Medicare spending will be $1,600 higher for each beneficiary, restoring the Medicare trust fund to solvency. Under the Clinton Democrat budget, in 2002 the Medicare trust fund goes bankrupt.

Let's save Medicare. Support the Republican budget resolution.

Ms. Slaughter. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Dakota [Mr. PomeroY].

Mr. PomeroY. Mr. Chairman, why are the Republicans proposing to slash Medicare and Medicaid to pay for tax cuts benefiting America's most privileged?

Throughout the afternoon, we have seen abject effects of denial of the cuts by the gentleman from Connecticut [Mr. Shays], the task force chair, jumping up and citing increased funding and saying only in Washington could this be determined a cut. I have never heard a more blatant distortion on the floor of this House.

The fact of the matter is that the funding does not keep up with the increases in health care. Let me cite a figure that might be of interest to the gentleman from Connecticut himself, because under the cuts proposed, in Connecticut each senior citizen will pay more out of pocket, $3,805 cumulatively through 2002, under the plan advanced. That to the seniors of Connecticut I would suggest is a real, real cut, one that hits right in the pocketbook. The Medicaid figures are even worse.

In the Republican cuts for Medicaid in the out years, they allow a 4 percent adjustment in Medicaid funding. There will be a 3 percent growth in enrollment in Medicaid, which means they allow the cost of medicine to go up 1 percent per year.

What do we know about Medicaid and medical inflation? It is rising at an amount dramatically higher than that, and it is going to rip benefits away from the children and the disabled and the elderly that depend on Medicaid funding.

This chart reveals what a vicious hit it will be to kids. An additional 6.7 million kids will lose their coverage under the Medicaid proposals advanced in the Republican budget. That to the gentleman I would suggest is a very real, a very meaningful cut to children.

For senior citizens it is equally devastating. Seniors receiving long-term care assistance across this country will find the costs of their care rising much faster than the Medicare payments to fund them. In fact, if you look over 5 years, an additional 1.7 million senior citizens requiring long-term care assistance will be deprived of Medicaid coverage under the plan. Those are real cuts.

You may in budget chicanery try to gloss over what you are doing to people, but let me tell you, you are taking coverage away from children and you are taking coverage away from senior citizens in nursing homes, and you are doing it primarily to pay for tax cuts for the rich.

Mr. Chairman, at this point in time I yield to the gentleman from Connecticut to ask any questions about North Dakota. Does the gentleman from Connecticut care to respond?

Mr. Shays. Mr. Chairman, I will be happy to use some of the gentleman's time in his comments.

Mr. PomeroY. If the gentleman does not have a question about North Dakota, I will reclaim my time.

The gentleman's own seniors in Connecticut will lose $3,800 under their proposal, a fact he ought to be aware of.

Mr. Kasich. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. Smith].

Mr. Smith of Michigan. Mr. Chairman, this budget is not just about the Federal Government's fiscal strategy, the way we keep our books. It is about America's future. It is about creating job growth and opportunities for our kids and our grandkids, about making our country a place where people can live and work and raise our families. Certainly it is about our future prosperity and our future safety.

Mr. Chairman, 2 years ago in 1993, this House, this Chamber, passed a large tax increase, approximately $248 billion over the 5 years of the budget. The decision from our conference was, should we give some of that tax increase back, and should we do it in a way that is going to stimulate job growth? We did that. One of the elements was my neutral cost recovery bill, that allows businesses to deduct the cost of the tools and equipment they buy as a business expense.

Let me tell Members what economists say is going to result from that kind of Tax Code change. They say the GDP of this country will increase almost $3 trillion, it will increase 3 million jobs with an average salary increase of $3,540.

Mr. Chairman, as we look at how we are cutting this budget, everybody is going to realize some pain. I hear so much talk about criticizing the cuts. It is so much easier to tear down a house than it is to build a house. We are trying to build that house in a budget that is going to help future generations. I would hope all Members would contribute in a positive way to how they think we can improve this budget, not simply criticize every element of every cut, of every program, every transportation, as we look at the infrastructure we have built over the years.

Ms. Slaughter. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. Woolsey].

Ms. Woolsey. Mr. Chairman, earlier this year, I visited school lunch programs in my district, and learned something which the authors of this budget obviously have not thought about. Because child after child said to me, "Congresswoman Woolsey, I can't concentrate when I'm hungry." I can't learn when I'm hungry.

Obviously, first-and-second graders know better than the authors of this budget that, if you enter the classroom hungry, you will not be ready to learn. During one of my visits, a teacher in Marin County—one of the most affluent counties in America—told me that, recently, she had a class lesson asking her 1st grade students what their top three wishes were, and why, the top wish of two-thirds of her students was for more food for their family, because they were hungry.

Well, get ready to have trouble concentrating and learning, and get ready to be hungry, because this budget cuts $19 billion form nutrition programs in order to pay for a tax break for wealthy special interests.

Members on the other side argue that taking $19 billion away form child nutrition programs is not a big deal, in fact, they claim they are not even cutting child nutrition programs, but simply reducing the rate of increase. We have Republicans in the Chamber over and over again that "only in Washington do people call a reduction in the rate of increase a cut."

Well, the children in Marin County, who wish for food for their families, would see it differently. They would say that only in Washington do people call "taking school lunches away from children a "reduction in the rate of increase."

I urge my colleagues to vote against this budget resolution.

Mr. Kasich. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. Hoekstra].

Mr. Hoekstra. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

I have been sitting here now for a couple of hours and I was waiting and wondering when the school lunch debate was going to come up. And you are absolutely right that only in Washington would we describe a 4½ percent increase each year for the next 5 years.
as a cut. It is unbelievable. We are increasing funding for the school lunch programs and we are calling it a cut.

But I think it is important as we take a look at what we are actually doing here. We are doing something that is important for the future of our children. This House has used this card for the last 25 years to build up a $4.7 trillion deficit for each of our kids. That is totally inappropriate. We need to get spending under control, and we are doing it. We put together a plan to get a balanced budget within 7 years. It is the right thing to do; it is the thing that we have to do for our kids.

What we are trying to do in this plan is we want to get the Federal Government away from so many things that happen in the private sector. It is not important to have a Federal bureaucrat between a child and their school lunch. It is not important to have a Federal bureaucrat between a landlord and their tenant. It is not important to have a Federal bureaucrat between a customer and a vendor. That is not the right place for the Federal Government to be. Those things happen very effectively and efficiently in the private sector. We reach out and we help those that need help, but we do not need to have Federal bureaucrats in all of these places, it is not the right way to go, it is not the right direction.

What we are doing in many of these areas is we are fixing programs that are broke. Job training, we are going to be doing that at an area where, yes, we have to educate and train people.

This Congress has put together 153 different training programs, 153 different Federal bureaucracies of Federal bureaucrats between an individual who needs skills and an education process. It is absolutely ludicrous to have 153 programs. We are going to put that into four block grants. It is going to be much more effective than a complex bureaucratic system.

Mr. BROWN of California, Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the proponents of this budget plan argue fervently that its end result—a balanced budget by the year 2002—will guarantee the long-term prosperity and better living standards for all Americans. It will not. What the plan will do is simply substitute for the budget deficit an investment deficit that will guarantee the long-term decay of our economy and our society. I am most familiar with the impact of the Republican budget plan on the civilian research programs under the Science Committee's jurisdiction. The Republican plan would force those R&D programs to decline by almost $25 billion over the next decade. To put that number into perspective, public investment in civilian R&D programs in our committee's jurisdiction would fall 25 percent in absolute terms, or 35 percent in real dollars, in just a few years.

I have included along with my statement a budget table showing the effect of this budget plan on committee R&D programs.

The Budget Committee report accompanying this bill makes it very clear how these cuts should be absorbed. They would have us eliminate most civilian applied research and technology development and demonstration work at every Federal department and agency. Many worthwhile science programs would suffer huge cuts or be terminated and, inevitably, Federal research labs would also have to close.

The Republicans reason that massive public disinvestment in R&D is good for the country because the private sector will pick up the slack and make these investments on its own, provided they get the deregulation and the tax breaks the Republicans have promised. This reasoning is naive and foolish. Deregulation and tax relief have not succeeded in raising private R&D investment in the past, and there is no evidence that it will work in the future.

In fact, even with an R&D tax credit in place, the private sector has been reducing its long-term R&D investment over the last 10 years in response to global competition. A recent survey of corporate R&D investment conducted by the Industrial Research Institute shows that U.S. corporations have reduced their long-term R&D from 20 percent to 8 percent of their R&D spending in the last 10 years. The remaining 92 percent of their R&D spending goes to short-term applied research with immediate commercial application.

The private sector is reducing their long-term R&D investment. If the Government also withdraws support for long-term R&D, as this budget implies, the consequences will be devastating and irreversible. The R&D infrastructure of the United States will be devastated. The result will be fewer scientists and engineers, less innovation and declining competitiveness in world markets. I, for one, do not believe the American people can bow down their future simply for shortsighted political considerations.

Mr. Chairman, time and again today, my colleagues have warned us that we must not pass on a legacy of debt to our children and grandchildren. I agree, but we are also obliged to undertake those essential investments in new knowledge and better educated human resources that will guarantee them a bright future. This budget fails to do that and breaks faith with future generations.

The chart referred to follows:

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<th>Budget Function</th>
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<th>Budget Assumptions FY96-00 Change in BA</th>
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<td>Space</td>
<td>NASA</td>
<td>Cut Human Space Flight</td>
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<td>Energy &amp; Envr</td>
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<td>Eliminate Intelligent Vehicle R&amp;D program</td>
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<td>Recoup funds for NASA Wind Tunnel</td>
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Total, Science Committee: -23,973

1 FY1996 through FY2000 cumulative change in new BA relative to FY1995 budget freeze.

Source: House Budget Committee, Democratic staff of the House Science Committee.
Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, this budget recommends that we eliminate the Department of Commerce. It just does not make sense in that we need to develop jobs in this country. If we are ever going to get to the point where we can develop jobs, we need the Department of Commerce.

During the last 2 years the Department helped Americans secure $24.6 billion of foreign contracts and for every dollar spent on the entire budgets of the Department it has returned $6 to the American economy. That is developing jobs, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, the reason why we are calling for the elimination of the Commerce Department is its functions are performed in 71 other entities of the Government, and we think it makes more sense to consolidate that, save the bureaucracy, and give taxpayers some of their money back.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

I was interested in the discussion we just had on the cuts in the science budgets, and I think it is very important to understand what has happened over the last few years in the name of science. Much of what we have had in the science research budgets of this country have been in a State where many of them have been nothing but corporate welfare, and what we have done is done things in the name of R&D, in the name of science, and then found out that where they were going was to the richest corporations in the country.

What we have attempted to do is prioritize science in this budget. We have attempted to protect the basic fundamental research of this country, and we have done so in the budget. In fact, basic research actually has a nominal increase over the 7-year period from $15 billion this year to $17.1 billion in 1996. This includes places like the National Science Foundation and a lot of programs in NASA and the Department of Energy.
The proposal will eliminate funds used to make schools across the country safer and drug-free and will dramatically increase costs for working families by charging all students interest on their loans while they are in school. These actions are not just thoughtless, they are precisely the kind of the program to meet the pressing needs of American people today and tomorrow. At a time when jobs demand more preparation, cutting education funding is indeed a losing proposition. We need to support education as a budget priority and this bill before the House has it backward. We need smart people and smart hardware to face the future needs of our Nation. That won’t happen with a negative and indifferent national policy.

This proposed budget pulls the rug out from under state and local governments, shifting responsibility away from the Federal Government for welfare and child nutrition and by advocating deep cuts in community development, notably the Community Development Block Grant. The Republican answer is that cost burdens should be shifted to State and local governments and the non-profit sector, which is operating on a shoestring today. In other words, a trickle-down tax increase pushed upon the States.

A provision of the budget resolution which deeply concerns me is the proposal to zero out the funding for the Low-Income Home Energy Assistance Program, otherwise known as LIHEAP. As a Member from Minnesota, a State that works and strives to meet people’s needs with a warm heart, Minnesota is one of the coldest States in the Nation, I am alarmed by the potential impact of this ill-advised action. In 1984, approximately 3.1 million homes held received aid to help cover heating costs nationwide. Nearly half of these households contain elderly or handicapped persons—often on fixed incomes—and about 80 percent earn less than $10,000 a year. Where are these people to turn when they no longer can afford to heat their homes? This pattern is repeated because of the tenuous situation that many poor face today.

The Republicans are cutting funds for programs which provide basic housing for Americans in dire need of assistance. They will reduce housing assistance for the elderly, for persons with disabilities, and for other low and moderate income families, they would eliminate funding for most preservation activities, and reduce funding for the operations and modernization of public housing. All of these proposals mean it will be more difficult for people to find decent safe affordable housing, in this time when affordable housing is dwindling, and the demand is growing. These proposals serve notice that the unique programs that are the necessary first step for our most vulnerable citizens and to help working people help themselves, today are serving as targets for political potshots.

On the environmental front, in addition to cutting funds for sewage treatment, safe drinking water facilities, soil and water conservation programs and hazardous waste cleanup, the Republican budget blueprint advocates allowing oil and gas exploration and drilling on the Arctic National Wildlife Refuge as a way to increase revenues. The Arctic Refuge coastal plain is a priceless and irreplaceable treasure. The fate of the plain and the potential to present and future generations as an undisturbed, fully-functioning ecosystem have been the subject of a complex and highly contested debate for more than a decade. The resolution of this debate must not be obscured foreordained through a backdoor effort in the Federal budget process. It deserves full consideration in the glaring light of public scrutiny.

One of the biggest ironies in the budget resolution is the Republican proposal to meet the pressing needs of our Nation for working families by charging all students interest on their loans while they are in school. In the absence of any real health care reforms. Republicans suggest simply slashing Medicare by $288 billion over the next 7 years. This is a 27 percent cut. This will mean fewer benefits, higher out-of-pocket costs for seniors, and less choice of doctors. For my home State, Minnesota, it has been projected that the Republican budget proposal will cost each senior an additional $3,557 over the 7-year period from 1996 to 2002. Nearly 83 percent of Medicare benefits go to seniors with incomes of $25,000 or less, and the proposed reductions would have a devastating effect on these people. Likewise, Medicaid funding, the only major Federal source of funding for long-term care, is cut 30 percent by the year 2002. Together Medicare and Medicaid cuts account for nearly a third of all savings in the bill. The GOP puts this in shape saying it will be a ‘trickle-down’ effort. Health care/Medicare doesn’t exist in a vacuum. The GOP was quick to demagog health care reform in 1993–1994. Now they seek no reform, only a Medicare cut that will result in a second-rate health care program for seniors.

In the last Congress, the Republicans refused to support meaningful comprehensive health care reform, saying there was no crisis in health care so why make changes? Today they have conveniently discovered the Medicare crisis where there isn’t a crisis. Actually the 1995 suggests an improvement over 1994. The GOP Congress is going to solve this health care crisis by cutting benefits to seniors and reimbursements to health care providers while providing a generous tax cut to wealthy Americans and a funding increase for defense. This is not the approach that will protect Medicare and the elderly and help rationalize and regularize the health care system.

The Medicare cuts are supposed to save the program projected revenue shortfall in 2002. However, the cut they want to take from Medicare to offset the loss of revenue resulting from the Republicans’ tax cuts for wealthier Americans, is $353 billion over the next 7 years. Despite the political rhetoric, the main beneficiaries of these tax changes are the wealthiest members of our society and corporate America, with the wealthiest 1.1 million Americans receiving a $20,000 tax break. Further, the budget proposal includes a tax increase which could total as much as $42 billion, an additional $55 billion in tax increases which result from the 0.6 percent adjustment in the Consumer Price Index. The indexing of income tax rates and brackets are reduced to middle income Americans, not mind you in the tax package but hidden in this budget package, and Social Security benefits cut off with the same COLA sleight of hand. In fact $24 billion in just 3 years is picked from the pockets of Social Security recipients.

Even as student loans, housing, and Medicare are being cut, the Republican budget would increase budget authority for defense to an additional $350 billion and defense outlays to over $280 billion by 2002—27 billion more than President Clinton has requested. These large spending increases for the Pentagon are questionable not only because we no longer face the threat of the cold war, but also because the Pentagon has admitted its finances are in complete disarray. In fact, the annual financial statements of 28 of the Pentagon’s 36 departments are so riddled with flaws and inaccuracies that the GAO has declared them completely worthless.

President Clinton recently stated that the Defense pays private contractors $500 million dollars it does not owe them every year, and DOD cannot account for $15 billion it has spent over the past decade. Republicans apparently have no qualms about pouring billions more taxpayer dollars into a black hole at the Pentagon, even as they cut funds for cost-effective social programs which result in economic benefits in the future. I fail to understand why in this time of fiscal stringency that the Pentagon receives $60–$70 billion more.

Mr. Chairman, forging our economic priorities into the next century has been a focal point of the ongoing debate. I have grave concerns about the direction that this budget is taking. We ought to be offering hope by accountability, working for the reality that Government must remain a partner for supporting the basic needs of our citizens, not abandonment. However, what I am seeing is an erosion in support for working families and an eradication of support for those who cannot afford to meet in order to give folks making $200,000 or more a tax break. Republican priorities do not signify political courage, as they would have us believe, but political pandering. Republican priorities are focused on change at the bottom line, producing enough money for the Republican tax breaks for well-off Americans, not empowering folks whose only hope comes in the form of my colleagues to oppose this distorted GOP resolution. And when the political reality meets the public outrage the tax breaks will stand and the tax cuts and programs and actions will falter; the secret plan to cut Medicare, a better kept secret than the Dead Sea scrolls, will evaporate in the public outrage by denying much-needed justified programs and responsibilities.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia [Mr. MOLLON].

Mr. MOLLON. Mr. Chairman, I thank the distinguished gentleman from Minnesota for yielding time to me.

Mr. Chairman, I rise in strong opposition to the fiscal year 1996 Republican budget resolution. Before we vote today, I believe it is vitally important for the American people to understand just what this budget resolution really does. To those interested in real fiscal conservative, and whose taxes are cut on the one hand, and whose benefits are cut and eliminated on the other.

Simply stated, this resolution proposes a major reallocation of resources among the people of America. If you are a middle- or lower-income American, can lose big under this resolution. If you are a high-income American, you win big under this resolution.

This resolution contains no qualms about pouring billions more into discretionary programs by $635 billion over the next 7 years, cut Medicare by $288 billion, and reduce
Medicaid by $187 billion. That takes money out of the pockets of average Americans. And second, as if to add insult to injury, money taken out of the pockets of middle- and lower-income Americans is immediately used to pay for a tax cut for the wealthiest Americans.

Mr. Chairman, when put in this perspective, it should become clear that the proposal we are voting on today would literally take from the poor to give to the rich.

Let us talk about the spending cuts contained in the plan. The question is how seriously should they be taken? How seriously should we take those spending cuts? And the answer is very serious. Many vital programs will be eliminated if this budget resolution, the one we are voting on here today or tomorrow, is enacted, and many others will be cut as much as 40 and 50 percent.

Imagine the average American family for a moment, if you will, husband and wife, both working struggling to make ends meet, two or three children. How seriously do you think they will be affected by the cuts proposed in this resolution? Well, if the children in this family are receiving nutritional subsidies at school, they will see large cuts due to this resolution. For college-age children in the family, this resolution proposes to increase costs for a 4-year college loan by $5,000. If the father or mother relies on mass transit to get to and from work, this resolution will, at the least, cause the fare to go up, and in rural areas across America, certainly in my State and, I imagine, many others, may even eliminate mass transit service. If either parent should be laid off or lose his or her job, this resolution greatly reduces the resources available for additional job training, and if there is an elderly member of this family, this resolution will make cuts, real cuts, to programs which fund long-term care.

Believe me, Mr. Chairman, I could go on and on. And so while the Republican proposal may not impose a tax increase on middle-class America, it certainly eliminates many of the resources the average American family currently relies on and has available to it.

And where do those resources go? To pay for a tax cut for the wealthiest Americans, Americans who do not need to take out loans to go to college, who do not depend on mass transit to go to work, who do not have children who rely on school lunches for their daily nutritional needs.

In fact, the tax cut which is provided under this resolution will cost the American people close to $400 billion over 7 years, $700 billion over 10 years, and 51 percent of that tax cut goes to Americans making over $100,000 a year.

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Let me go over the highlights of our working group’s proposals:

**AGRICULTURE**

We phase down farm subsidies, this is already a declining baseline.

To offset we reduce regulation, this will be done in the Farm bill and elsewhere, we are also reducing the tax burden on farmers with the capital gains tax cut and estate tax relief.

I think it is very important to note that farmers will benefit greatly from a decline in interest rates that will result from this balanced budget.

It is estimated that a 1.5 percent reduction in interest rates means that farmers will save over $10 billion in interest payments on their debt over the next 5 years. This more than offsets any reduction in subsidies.

**ENERGY**

Both the Energy Department and the Commerce Department are eliminated.

The power marketing Administrations are privatized, but they are sold only to the preference power customers, giving more power to our constituents and protecting against any rate increase.

The naval petroleum reserves at Elk Hills are also sold, this is the 10th largest oil field in the country and there is no reason for the Federal Government to own it.

Reseach functions are privatized, and all nuclear cleanup activities will continue at current levels.

**INTERIOR**

There will be a moratorium on new Federal land purchases. We own enough land already.

In many States out West, more than one-third of the land is owned by the Federal Government.

This map shows why we don’t need to have the Federal Government buying more land.

As you can see, vast portions of the West are already owned by the Federal Government. All of the area colored in is owned by the Government.

These are a few examples of the highlights of our budget.

Make no mistake, we call on every aspect of the Federal budget to contribute to the savings in this budget. The only exception is Social Security, which we do not touch at all.

I ask my colleagues to support this historic budget.

May 9, 1995.

**Memo**

To: Arnie Christensen
Re: the balanced budget amendment and interest savings to farmers.

Attached is a very rough estimate of the impact of a 1.5 percent reduction in interest rates on farmers costs.

In 1993, Farmers had $141.9 Billion in Outstanding Debt.

If we assume interest rates of 8 and 7 percent for long term and short term respectively then:

Net Savings from a 1.5 percent reduction: $12.13 billion or a very conservative estimate of savings of $10.65.

It is interesting to note the Agriculture Committee is debating over whether to save $12 billion or $9 billion or $5 billion.

If we don’t balance the Federal budget then:

Interest rates won’t go down by 1.5 percent and farmers will spend an additional $10.65 in interest cost over 5 years.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. INGLIS], a member of the Committee on the Budget.

Mr. INGLIS of South Carolina. Mr. Chairman, I find it very interesting the gentleman from West Virginia just talked about how it is going to cost the American people to give a tax cut. I really do not understand that statement. I wonder if he would like to describe it for us.

It is going to cost the American people to give them a tax cut? He says it is going to cost some hundreds of billions of dollars, but actually it is the other way around.

When the gentleman from West Virginia voted for the Clinton tax increase in 1993, he increased taxes in the State of West Virginia by $356 million, $356 million in increased taxes the people of West Virginia will pay as a result of the gentleman’s vote in favor of the Clinton tax increase. That costs the American people money. That is a tax increase.

Mr. MOLLOHAN. Mr. Chairman, would the gentleman agree?

Mr. INGLIS of South Carolina. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Does the gentleman agree or disagree that over 51 percent of the tax cut in the Republican proposal will benefit those Americans making over $100,000 a year?

Mr. INGLIS of South Carolina. No. I do not agree.

Mr. MOLLOHAN. You do not agree that 51 percent of the tax cuts in the budget proposal benefit those persons making over $100,000 a year?

Mr. INGLIS of South Carolina. No; no, I do not.

Mr. MOLLOHAN. You disagree with that? Do you agree that more than 20 percent is going to the top 1 percent of American families?

Mr. INGLIS of South Carolina. Reclaiming my time, let me answer the gentleman. If you look at the chart in the front you can figure out how you refer to our tax cut as a cost to the American people. We are allowing the American people to keep their money.

Mr. KASICH. Mr. Chairman, regular order.

The CHAIRMAN. Regular order has been demanded.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds to just point out the chart in the front shows that those people below $75,000 get 74 percent of the capital gains tax credit. The figures, frankly, speak for themselves.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

(Mrs. JOHNSON of Connecticut asked for permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Chairman, I submit my remarks at this point. I rise in strong support of reaching a balanced budget by the year 2002, under the solid work of the Committee on the Budget and the leadership of the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I rise to congratulate the Budget Committee for its fine work in putting together a budget resolution that for the first time in many years puts us on a path toward balancing the budget.

I am pleased to support this resolution, because I believe it is imperative that Congress regain control over our spending practices and leave our children an economically strong America.

The process that we undertake today will not be easy. Indeed, the cuts that are going to be necessary to bring our budget into balance will be painful in instances. And while I do not agree with every line item in the Budget Committee’s resolution, and will fight hard in the weeks ahead to shape appropriations bills that meet our targets, I support it as a fair and honest document from which the House can start its deliberations on spending.

In 1993, gross interest payments equalled $293 billion, greater than the total outlays of the Federal Government in 1974. If we continue current policies into the next century, we will be forced to enact fully $500 billion in deficit reduction each year just to restrain the deficit to 3 percent of gross domestic product.

For too long, this Congress has chosen to continue the status quo, pushing this Nation further and further into debt and forgoing the results of overspending today on the generations of tomorrow. The budget was last balanced in 1969, an entire generation ago. As representatives of the American people, we have no choice but to start on the course of fiscal responsibility. And that is what this budget resolution before us today sets out to do.

There are two areas on which I would like to focus my remarks today: Medicare and the Commerce Department.

I cannot overemphasize the importance it is to reform our Medicare system. This budget resolution addresses head-on the impending Medicare crisis facing senior constituents. We must take steps now to shore up Medicare financing and keep our promise to today’s beneficiaries—those who will need these health benefits 10 years from now.

Our friends on the other side of the aisle tell us that you are “cutting Medicare, slashing the benefits.” This is simply not true. We will
increase Medicare spending over the next 7 years by 45 percent. We will spend $1,500 more on each beneficiary 7 years from now. How can anyone call this a cut?

But keeping Medicare merely solvent is not all we must do. We will make Medicare work smarter, and serve seniors better, just as employees are more successful in bringing down costs and increasing quality and consumer satisfaction.

And we will let seniors choose how to use their Medicare dollars to join plans that cover prescription drugs or home care, that provide benefits and individual senior desires.

This budget proposal for Medicare represents a tremendous challenge, but, it gives us a great opportunity as well.

Second, while I support the budget resolution’s cuts in spending growth, I oppose eliminating support for U.S. exports, and the thousands of American jobs they create every year. Proposals in this budget to eliminate and cut trade and export enhancement programs, while well-intended, are shortsighted and ignore the realities of today’s global environment. To access these markets, it is imperative that the United States maintain or create a Cabinet-level agency dedicated to coordinating these vital export and import finance and promotion programs. Eliminating the functions of the Commerce Department will certainly hamper growth and enhance job growth in this fast-growing area of our economy, though many of the savings proposed in Commerce are thoughtful and meritorious.

Again, Mr. Chairman, I rise in support of the Republican budget resolution and urge my colleagues to do the same.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Kentucky [Mr. BUNNING], a member of both the Committee on the Budget and the Committee on Ways and Means.

(Mr. BUNNING of Kentucky asked and was given consideration to revise and extend his remarks.)

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the Republican budget resolution and urge my colleagues to support it as well.

We promised that we would produce a budget that would lead to a balanced budget by the year 2002, and we did it. We promised the American people that we would produce a budget that provided them with much-needed tax relief, and we did it. And, finally, we promised that we would produce a budget that preserved the Social Security trust fund moneys and protects Social Security benefits, and we did it.

And as chairman of the Social Security Subcommittee, I am proud to say we are not going to touch those funds. Our budget fully preserves and protects Social Security.

Our budget assumes absolutely no changes, no changes of any kind in the Social Security program, no COLA cuts, no benefit cuts, no tax increases. Unfortunately, there are those who prefer the status quo and who are willing to resort to all sorts of fear-mongering and false statements designed to frighten our senior citizen. They used these tactics to help kill, at least temporarily, the balanced budget amendment in the Senate. They suggest that a balanced budget amendment would result in cuts in the Social Security benefits.

Our budget resolution today proves them exactly wrong. We can, and we will, balance the budget without damaging Social Security.

In fact, the majority proposal today would actually strengthen Social Security. As it stands now, the greatest single threat to the long-term solvency of the Social Security system is the continued runaway Federal spending. A balanced budget is the greatest guarantee possible that the promise of Social Security and Medicare will be kept.

A balanced budget is the best long-term protection that we can offer for the Social Security trust funds, and our budget will put us on a realistic path to a balanced budget. If you want to preserve and strengthen Social Security, you can vote for the majority budget and feel very comfortable that you are doing the right thing. So do the right thing and support the majority’s budget proposal.

Mr. SABO. Mr. Chairman, I yield such time as the may consume to the gentleman from Ohio [Mr. STOKES].

(Mr. STOKES asked and was given permission to revise and extend his remarks.)

Mr. STOKES. Mr. Chairman, I rise in opposition to the Republican resolution.

Mr. Chairman, the $1.4 trillion budget plan, which the Republicans claim will reduce the deficit and put our nation’s major assault on American families. Under their plan, our colleagues on the other side of the aisle have demonstrated a callous disregard for the most vulnerable in our society. The Republicans have launched an attack on those in the dawn of life—our children; those in the twilight of life—the elderly; and those who are in the shadow of life—the sick, the needy, and the handicapped.

The Republican budget threatens the quality of life for the vast majority of Americans. My home state of Minnesota, and similar communities across the Nation cannot absorb budget cuts that take meals from our children; and health care and heating assistance from our elderly. We cannot enact a budget that forces hard-working families to choose between paying a mortgage or purchasing health care coverage for their children.

Mr. Chairman, Americans are tuned in to this important budget debate. I have received letters from directors of hospitals, community health care centers, and others. They offer concrete evidence regarding the enormous toll the Republican budget would take on our communities.

Just recently, I heard from two organizations in my congressional district regarding the budget cuts. These institutions are highly respected and noted for their service to the community. Mr. Richard B. Hogg who serves as senior vice president for financial management at Mount Sinai Hospital, shared with me his concern that the hospital’s ability to continue to provide essential services will be severely threatened. Mr. Hogg states in his letter, '"* * * to drastically cut the social and health care needs to those most in need is unconscionable.'"

The director of nursing at Health Hill Hospital, Loretta C. Pierce, expressed her concern regarding cuts to the Medicaid Program, and, in particular, the damage it poses to children’s health. She writes, "Medicaid is more than a health care program for poor people * * * it is insurance for children with very special health care needs * * * even if their families have low or moderate incomes."

I want to commend Mount Sinai and Health Hill Hospitals for taking a leadership role in addressing these important issues. As a strong health advocate, I share their concern that the Republican budget cuts pose a threat to the health of our Nation.

Mr. Chairman, I rise today in strong opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996. The Republican budget plan, as proposed, is outrageous and extremely harmful to America’s families and working citizens.

If enacted, the $1.4 trillion budget will drastically slash everything from child nutrition services to assisted housing, to health care, to education. No one is safe. Everyone will suffer under this budget proposal.

Those most in need would be hardest hit, including nearly cuts to assisted housing for homeless, poor, disabled, and elderly American citizens. In addition to abolishing the Department of Education, the Republican budget would also eliminate funding for TRIO and Howard University, one of the Nation’s leading institutions of higher education. Funding would be severely slashed for financial aid, programs for the disadvantaged, and other elementary and secondary education initiatives.

Mr. Chairman, our Nation’s most vulnerable citizens must not be forced to carry the weight of the Republicans’ $360 billion tax cut for the wealthy on their backs. The Republican amendment in this budget measure, and in fact, the drastic cuts in quality of life programs defy common sense.

The bill would cut Medicare by $288 billion and Medicaid by $187 billion. The cuts in these two health care programs alone would account for about one-third of the total reduction in spending. If the Medicare cuts become law, seniors would see 40 to 50 percent of their cost-of-living adjustment consumed by increases in their health care costs.

In addition to the loss of care for the elderly, the people of my district cannot carry this burden. The Republican budget would weaken the foundation of our economy and place our children’s future at risk. House Concurrent Resolution 67 is blatantly irresponsible. On behalf of our Nation’s hard-working families, especially the elderly, this bill must be defeated. I ask my colleagues to join me in voting against House Concurrent Resolution 67.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)
Mr. STENHOLM. Mr. Chairman, I am happy to rise today in a moment that I did not think would ever come, that we would be debating whether not to balance the budget, but how to do it. I commend the chairman of the Commit-
tee on the Budget, the gentleman from Ohio [Mr. KASICH], I have not been able to stand shoulder to shoulder with you in the argument today as we have in the past. But we have some sincere differences with the budget that you present today.

I sincerely believe that the cuts that you have proposed, cuts in the rate of increase that you have proposed in the Medicare and Medicaid area, are too se-
evve for my rural district. I believe that sincerely. I believe that you believe that is not. But I think it is a big problem.

But that is not what I choose to talk about today. What I choose to talk about today is the misrepresented that is occurring at home in my dis-

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], a member of the Committee on Appro-

Mr. WOLF. Mr. Chairman, I rise in strong support of the budget. I think it is fair. Let me take my hat off and pay spe-

I have given the speech over and over again. I have shown you have got 218 votes, 51 votes, in the House and Sen-

I believe that the Kasich budget is not credible. Clearly, we have to remember the vulnerable and less fortunate in our soci-

I believe that the Kasich budget is fair. Clearly, we have to remember the poor, and I believe that we will remem-

Mr. KASICH. I strongly urge Members on both sides, and that should not be happen-

For the GOP, which has presented the first balanced budget plan in a quarter-century, this is definitely no time for “summer sol-
diers” for a monumental battle, which sig-

For the GOP, which has presented the first balanced budget plan in a quarter-century, this is a significant day to support a balanced budget plan in a quarter-century, this is a significant day to support a balanced budget on the direction we should take and the budget numbers we should use in reach-

I recognize that there are differences of opinion on the direction we should take and the budget numbers we should use in reach-

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In closing, one of the leading newspapers in my district the 10th District of Virginia, the Winchester Star, re-

And so at this time, perhaps it is best for us to draw upon the wisdom of pamphleteer

Thomas Paine, who penned these immortal words in the darkest hours of the Revolu-

These are the times that try men’s souls. The summer soldier and the sunshine patriot, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman.”
this is definitely no time for 'summer soldiers.' For a monumental battle, with significant ramifications for the future, will be enjoined.

Mr. Chairman, I call on all our colleagues to not shirk the responsibilities they face to the citizens of this Nation, not to be summer soldiers. I ask every member of this House to join in this historic opportunity to put this Nation on the right fiscal track and secure the financial future of America.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LARGENT], a very distinguished freshman member of the Committee on the Budget.

Mr. LARGENT. Mr. Chairman, I would like to, first of all, commend the chairman of the Committee on the Budget. Some folks may not know that he has a reputation of throwing nickels around like manhole covers, and to the American taxpayers I say, "You should be pleased that a gentleman with such a reputation is the guardian of the Federal purse strings."

I also want to remind Members in this body and American taxpayers once again that over 300 Members in this Chamber voted for a balanced budget. 66 Senator and a balanced budget. 81 percent of all Americans believe that the Federal Government should balance its books.

Mr. Chairman, I think the attitude and the mood of the American citizens was reflected by a farmer in central Oklahoma that I had the chance to visit with in January. When I asked him the question, "Should the Federal Government have to balance its books," he very pointedly and very briefly replied:

He said, "Well, I have to, and so should the Federal Government," and I could not agree any more.

I say to the gentleman from Ohio, "Chairman KASICH, I would say to you that the greatest compliment that is paid to the Federal budget document that you have laid down before us to bring us to a zero by the year 2002, an historic document, that the greatest compliment that has been paid to it has been the breath of rhetorical blather about this particular budget because everybody is going to feel the pain. There is something there for everybody, and I think in that respect that it earns a great deal of credibility that we all have to earn.

As my dad told me, that it was belt-tightening time, believe me it is time to tighten the belt on the bloated belly of the Federal Government.

Finally, I just would like to quote a few statistics, and I am ever mindful of the fact that it was in Washington, DC, that the saying originated that figures lie and liars figure, and so I am careful when I throw around figures myself. But I would remind all of my colleagues that the tax cuts that are found within the Contract With America, that 70 percent of the taxpayers that will benefit from capital gains earn less than $50,000, and families with children that earn $25,000 or less will totally wipe out any tax bill to the Federal Government.

Also, I would remind my colleagues that the chart that was up here earlier, that 74 percent of the beneficiaries of the family tax cut earn less, than $75,000, and let me say to my colleagues, "You don't need a CPA to figure it out." Mr. SABO. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from New York [Ms. Slaughter], an active member of our Committee on the Budget.

Ms. SLAUGHTER. Mr. Chairman, this is Ruth Lowenguth. She lives in my district, is a constituent of mine. She is 83 years old.

Now, I know she does not like it, but we are hearty people in Rochester, and she is also testament to our extraordinary health care system there. But Ruth, like 80 percent of the Medicare home care health users, will be living on a fixed income of less than $15,000 a year. Three-quarters of the people in that category are over age 75, and two-thirds of them are elderly women.

Now, Ms. Lowenguth has a small pension and a modest Social Security check, and she pays all health costs that are not covered by Medicare. That is about half of the health care expenses. If she had to pay 20 percent more to get home health care, it would be an additional $1,200 a year for her. She cannot spend that money on housing, or prescription drugs, or other necessities. It is $1,200 that she and millions of other women on fixed incomes just cannot afford.

Why are they faced with this threat? Because Republicans want to cut Medicare to give a tax break to the very wealthy.

Another thing that is very concerning to me, Mr. Chairman, is the amount of money that I think we may be losing from health care, an initiative that is long overdue, and it is only 4 years old. We have been able to provide quite a bit of money that was never there before. Actually, it looks like quite a bit compared to zero for breast cancer research, and we have systematically tried to put more and more in. We cannot turn back on that commitment now because breast cancer kills one American woman every 12 minutes; more than 40,000 of them will die this year.

Mr. Chairman, all women are at risk of getting breast cancer. More than 70 percent have no known risk factor, and the incidence has doubled in the last 30 years, so much more research is needed. But I think we've done enough. A 5 percent cut in funding for the National Institutes of Health would mean that research on breast cancer, ovarian cancer, cervical cancer, and a host of other diseases will be competing for scarce dollars and lose ground on very important progress.

For the first time, mortality rates are declining among breast cancer. If this program stalls from lack of funding, what will my Republican colleagues say to the women who will be diagnosed during the 1990's? Mr. Chairman, I urge all of my colleagues to think of the mothers, the sisters, all their relatives back in their district, and think about this and vote 'no.'

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I point out to the gracious gentlewoman from New York [Ms. Slaughter] that Medicare spending in the great State of New York is now $14 billion. It is going to rise to $19 billion in the next 7 years, a 36 percent increase. The per-beneficiary cost is going to go from $5,312 to over $7,000 per beneficiary.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds before yielding to the gentleman from New Hampshire.

Mr. Chairman, the gentleman just talked about the cuts in research in breast cancer and other kinds of NIH research. I think it is important to note that NIH has more than doubled in the last 10 years. The cut we are talking about here is a 5 percent cut, and it is impossible that every one of the programs she listed could be in jeopardy when we are talking about a 5 percent cut.

Mr. Chairman, we are making sure that this kind of research that we have been doing will be ongoing.

Mr. Chairman, I yield 2 minutes to the distinguished freshman gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the Kasich budget.

Mr. Chairman, I have been sitting here for the last 4½ hours listening to this debate, and I took up my pen and pencil and calculated that we have run up an additional debt of $168.89 million since this debate began. That is debt that has to be paid by our citizens, by our acting taxpayer and every taxpayer who will come ahead of us. This is unacceptable.

Mr. Chairman, on November 8, the American people said that they had had enough of a Congress that holds its head high in arrogance and tells the people of America what they need and what they want and steals money out of their pockets and the pockets of their children to pay for programs, and then today we sit here talking about whether we are going to cut the budget, but how to balance the budget, and we hear the old guard, the keepers of the bureaucracy, the protectors of the old order, talk about the programs that they want to preserve, the programs that they want to protect, the programs that they do not want to work, the programs that have built bureaucracies in this country year after year after year.

I am a new Member of Congress, and I have stood by for the last 4 or 5 years and watched these chronic deficits rise year after year. What business do we think we have as Congressmen running these deficits for no reason? There is...
no war. There is no economic emergency. Even in the 1970s we were given excuses by the President and the majority at that time. It is time, and the American people have told us, to balance this budget and do it now, and that is what I would not have to show in the course of this debate. It is another picture, and I would like my colleagues to focus on it. This is it.

I say to my colleagues, if you will look closely at it, you will see through this process the debate every single thing that our Republican colleagues have told us about, specifically what it is they're going to do in imposing new out-of-pocket costs on America's seniors. That is to say, if you look closely, you will see the doubling of the deductible. That bothers Jean Cox, and, if you look closely, you won't see the new out-of-pocket expenses when Jean Cox's doctor tells her she has to go to the lab, and, if you look closely, you won't see the new out-of-pocket expenses that Jean Cox will have if she needs specialized nursing care. No, you won't even see the increase in the deductible, because only in Washington would someone have the audacity to come and tell the senior citizens of America that they're doing more, that they're spending trillions and millions and billions of dollars more to help them out. But they stop to think about it from the perspective of the senior citizen. Jean Cox doesn't have a lot of understanding about trillions and billions of dollars, but, you know, to her and those 200 people I talked to in Austin, $20 a month is a lot of money. Doubling the deductible is a lot of money, and that is why, when they go through their charts and when they take all the luminaries and all the number-crunchers of the Republican Party and they put them altogether, they haven't come out with a chart that shows anything other than this.

Mr. Chairman, I challenge them. I say, come forward with your plan. Where is the plan. Where is the information for the American people as to what happens to the out-of-pocket expenses in Texas, or Connecticut, or anyplace else, because we haven't heard one word. Ms. Cox and others who are watching, we haven't heard one word about what's going to happen to the out-of-pocket expenses of these seniors in关闭 about time we hear something about it.

My colleagues, the basic difference, as we approach this debate, is that we Democrats believe that Medicare is reliable on a trust fund, not a slush fund, to pay for tax breaks for the rich.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would admonish Members to address their remarks to the Chair rather than to the TV audience or anyone else, as is required by the rules.

Mr. DOGGETT. Mr. Chairman, why have the Republicans cut Medicare as they are doing here in this budget? Of course, it is to finance a tax break for the privileged few.

Now, Jane Cox is a woman in any district. I met with her and about 200 older Austin citizens last Saturday. They are concerned about seeing the budget balance as much as anybody in this room, but they do not think we have to balance it with a sick tax on our seniors, and there is something else that I would not have to show in the course of this debate. It is another picture, and I would like my colleagues to focus on it. This is it.

I say to my colleagues, if you will look closely at it, you will see through this process the debate every single thing that our Republican colleagues have told us about, specifically what it is they're going to do in imposing new out-of-pocket costs on America's seniors. That is to say, if you look closely, you will see the doubling of the deductible. That bothers Jean Cox, and, if you look closely, you won't see the new out-of-pocket expenses when Jean Cox's doctor tells her she has to go to the lab, and, if you look closely, you won't see the new out-of-pocket expenses that Jean Cox will have if she needs specialized nursing care. No, you won't even see the increase in the deductible, because only in Washington would someone have the audacity to come and tell the senior citizens of America that they're doing more, that they're spending trillions and billions of dollars more to help them out. But they stop to think about it from the perspective of the senior citizen. Jean Cox doesn't have a lot of understanding about trillions and billions of dollars, but, you know, to her and those 200 people I talked to in Austin, $20 a month is a lot of money. Doubling the deductible is a lot of money, and that is why, when they go through their charts and when they take all the luminaries and all the number-crunchers of the Republican Party and they put them altogether, they haven't come out with a chart that shows anything other than this.

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My colleagues, the basic difference, as we approach this debate, is that we Democrats believe that Medicare is reliable on a trust fund, not a slush fund, to pay for tax breaks for the rich.
that the toughest part of balancing the budget would fall to the most vulnerable Americans, the schoolchildren and the elderly of this country. The lawyers and the wealthy are over represented in this Congress, but who will stand up for the children and the elderly?

Mr. WYDEN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in opposition to the budget that my colleagues on the other side of the aisle, the Republican side, are offering.

Now, a few minutes ago, the gentleman from Oklahoma said that it is time for America to tighten its belt. Now, surely there are many Americans who can tighten their belt, but I am here to talk for a moment about my constituent, Mrs. Arlene Farwell, who if she is asked to tighten here belt any more is going to find it pretty tough to breathe.

She is a senior, she is retired, she is disabled, and a bureaucratic snafu, she is paying more than $80 a month for her Medicare part B. And if the deductibles and the copayments and the premiums go up any more, she simply is going to have nowhere to turn. She put it very well, she today said, “There is just too much money left at the end of the month.”

So I say to my colleagues, Medicare badly needs reform, and all Members understand that. And I believe it is the right way to do it and the wrong way to do it.

And I would submit that cutting Medicare spending, as the Republican budget does, by 15 percent, without saying how you are going to do it and still protecting Mrs. Farwell, is the wrong way to go.

Now, many of my colleagues on the Republican side have some interesting theories about managed care. The irony is over a 20 year period, we have made many of those theories work in Portland, Ore., we have the highest percentage of managed care now in the country among seniors in our area. It is close to 50 percent. But you cannot turn the system around on a dime.

What is going to happen to the seniors of our country, and I have seen this again and again since my days as co-director of the Gray Panthers, when you theorize about Medicare, as the Republicans do, what happens in reality is the seniors get more copayments, more deductibles, more premiums, while everybody waits to see if the great theories are ever going to pan out.

So I offer to my colleagues on the other side of the aisle that if rescuing part A of the Medicare trust fund is really what you seek to do, let us honor the Speaker’s pledge to deal with this outside the budget. If that is the principal concern of my colleagues on this side of the aisle, let us work together on a bipartisan basis to deal with this. Speaker GINGRICH suggested, outside the budget.

I think there are many Members on both sides of the aisle who would like to take that route rather than the route my colleagues on the Republican side propose, which is to reduce Medicare spending 15 percent, try to turn this system around on a dime, and still protect seniors.

I would also offer to my colleagues, and we heard some testimony on this yesterday in the Subcommittee on Oversight and Investigation, that if you try to turn the system around on a dime and make the savings you are talking about overnight, what is going to happen is you are going to create juicy new opportunities for fraud and abuse.

If you do not believe that is going to happen, go talk to the people of south Florida, because when they tried to go to managed care overnight, when they tried some of the ideas that the Republicans are talking about advocating now, what happened was the sleazy rip-off artists, who are already exploiting the program, and we certainly agree on that, saw a great new opportunity, and instead of savings, we saw more waste, fraud and abuse. If you look at south Florida, you will see how it happened.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I want to respond to something the gentleman from Oregon said. The fact of the matter is that we tried to do exactly what the gentleman was talking about. We tried it on the floor yesterday, to get some recommendations to this body as to how we should solve the problem, and by a vote that unfortunately was a majority, but it was not enough to get the two-thirds on the suspension, this body rejected the idea we should ask the trustees who have the fiduciary responsibility for the trust fund to give us some recommendations about how we save it.

Mr. Chairman, I yield two minutes to the gentleman from California [Mr. RADANOVICH], a distinguished freshman member of the Committee on the Budget.

Mr. RADANOVICH. Mr. Chairman, in the election in 1994 the American public sent a strong message to Congress, and that was they wanted a smaller, less intrusive Federal Government.

Mr. Chairman, the 1996 budget resolution is a manifestation of that mandate. The Federal Government has gotten too large, and we have made it smaller and less intrusive by transferring power from Washington to the State and local level. We have also privatized many functions of Federal Government that frankly should never have been started here in the first place.

I believe the American people are willing and able to rise to this new level of expectation. The American public is not stupid. It is arrogant to assume that the people of this country are not capable of taking responsibility for themselves, for their families, and for their communities.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Ms. MCCARTHY]. (Ms. MCCARTHY asked and was given permission to revise and extend her remarks.)

Ms. MCCARTHY. Mr. Chairman, why are Republicans cutting Medicare to pay for tax breaks for the privileged few? That’s the question my constituents like Joan and Dale Hunt are asking. Republicans started by taking lunches from our Medicare, and now they are going after our senior’s Medicare. I am committed to balancing our budget by downsizing government, and by streamlining and eliminating Federal programs which have outlived their usefulness, I have not committed to balancing the budget by slashing funding in Medicare by $283 billion and Medicaid by $134 billion.

For our seniors, medical care out-of-pocket expenditures have ballooned to 21 percent of their disposable income. These two constituents, Joan and Dale Hunt of Raytown, Mo., have told me and have expressed their concerns with the Republican’s proposed cuts in Medicare. The Hunts, in their early 70’s, remain active in their church and continue to volunteer to make our community better. Dale was a meat-cutter at our local Kroger grocery store for 45 years, and Joan worked at numerous jobs to raise their son and to make ends meet. Last year they had $4,300 in out-of-pocket medical expenses. These two seniors, who have worked hard all their lives, and pay less and are realizing that their very subsistence is at stake. They have a very limited discretionary income and have been unable to buy needed medical supplies. The Hunts live on a fixed income and have put off buying hearing aids and glasses for Dale and needed dental work for Joan. They have instead fixed their furnace. Now with the Republican budget proposals the Hunts will pay $3,500 more for out-of-pocket expenses alone. And through their sacrifice and toil, have made this the greatest nation in the world now are finding out to their amazement that Republican promises to protect their entitlement were empty promises—and simply a ploy to provide a $32 billion dollar giveaway to the wealthy.

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tax breaks off the table and we will work together to leave a legacy to our children we can be proud of, and not a legacy which impoverishes the elderly. I will not forget the Hunts whose love has endured. Joan has given up the notion of replacing her lost wedding band, and the Hunts have given up travelling to be with their son and grandchildren—they are luxuries they can no longer afford. We must not give up on the Hunts, and 36 million seniors like the Hunts who live on a day by day basis. How long will it take for the Bush administration to recognize the budget by 2002 and it takes us $6,000, an increase per beneficiary. Cut $4,493. That is going to go up to nearly $5.2 billion. That averages out to $3,004 per senior on their Medicaid cuts, Medicare cuts.

Mr. Chairman, I thank the gentleman for yielding the floor to me. I thought this document from the Committee on the Budget would be helpful in clarifying the loss to my State and the loss to individual seniors.

Mr. BALDACCI. Mr. Chairman, there are approximately 199,000 Medicare recipients in the State of Maine; 21,000 of those recipients in Maine are at or below the poverty level. The question is not to balance the budget. The question is to balance the budget and offer $300 billion in tax breaks.

When you stop and think of the lady in Old Town, ME, that confronted me and said she could not afford her prescription drugs and she was forced to cut the tablets in half because she could not afford it, asking her to double the out-of-pocket expenses to have a $300 billion tax cut; talking to the elderly couple in Lewiston, ME, who are getting divorced because they cannot afford their prescription drug costs, they qualify for the Medicaid Program, which is being cut; telling that to these people beyond the charts that are being offered, those are the real people these figures are impacting.

And then talking to the elderly in my State who are in nursing homes who believe the cost-effective regulations are being analyzed and at the age of 92 being told to leave nursing homes and to go into group homes, that is really what is going on out there.

I think when people get to be the age of 65, that we want to be very careful with how we handle their health care. Those are the people that have the

Mr. BALDACCI. Mr. Chairman, as far as the tax cuts that are being provided, I was told by the majority staff on the Committee on Government Reform and Oversight that, if the unfunded mandates legislation was in fact effective, the tax cut would be the first issue that would go through that because in
Mr. Chairman, let's balance the budget, but, let's balance our priorities first. Mr. FOX of Pennsylvania. Mr. Chairman, I want to note for the record that for the citizens of North Carolina who are senior citizens $805 million of tax reductions will take place as a result of what this Congress has already instituted.

I think we should note now for those who are listening from their offices or homes, or those who don't know what this Congress has already done in the 104th Congress made great strides for our senior citizens. First, we have lowered the senior citizens tax burdens by repealing over a 5-year period the Clinton tax increase on Social Security retirees.

Second, we have eliminated the penalties for working seniors. We have raised the $11,280 Social Security earnings limit to $30,000 over 5 years. Beyond that, we have also ensured access to long-term health care insurance by easing the financial drain on seniors and their families by making private long-term care insurance more readily available and allowing accelerated death benefits to be paid tax free. In addition, we have also ensured access to home by providing $500 tax credit to families who care for a dependent elderly at home.

Social Security we know in this Congress is off the table. We have said that and that is the case. Medicare will go bankrupt by 2002, if we do nothing. Therefore, we feel that Medicare must be preserved, protected, and improved.

What you will hear from the other side of the aisle is some false charges. False charge No. 1, you are cutting Medicare to pay for tax cuts for the rich. Wrong. The facts are clear. The Medicare trust fund is going bankrupt. You can pull out all the tax cuts from the Republican budget and Medicare still goes bankrupt in 2002. The Medicare trust fund is financed by payroll taxes and the Clinton administration itself has said that the trust funds will go bankrupt. The Republican budget will save Medicare from bankruptcy.

False charge No. 2, your plan for Medicare for the seniors will pay much, much more for fewer and fewer services under our plan. Wrong. A 40-percent increase in Medicare spending is not a slash. The Republican plan allows for a $1,600 per recipient increase in spending.

Therefore, I say vote for the budget.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. Fox], a freshman Member.

Mr. Fox of Pennsylvania. Mr. Chairman, I want to note for the record that for the citizens of the 13 hospitals that serve rural counties in my congressional district—will lose money; big time; up to $1,300 for each Medicare patient served, over 5 years.

We know that, under the plan of the majority, senior citizens will pay $1,060 more for their health care in 2002. Most can barely afford health care now.

Many will have to choose between heat and health, a warm coat or a trip to the doctor—and some may even have to choose between eating and health.

More than 80% of every 10 seniors who receive Medicare benefits have incomes of $25,000 or less.

Mr. Chairman, we know that Carlene Neese, a 77-year-old woman from North Carolina, is the primary caregiver for her husband, who has suffered from Alzheimer's disease since 1986. He also has a Foley catheter.

We know that the home care the Neese family gets once a week to change the catheter, and the aide who comes out three times a week, is threatened by the majority's budget plan.

As Mr. Neese enters the end stages of his dreaded illness, the strain on Mrs. Neese will be obvious and perhaps overwhelming. Mrs. Neese's dilemma is repeated again and again, throughout my congressional district.

There is a 75-year-old mother, also suffering from Alzheimer's disease.

Her daughter writes to me in her effort to secure some help with the care of her mother. "Imagine me giving Mom a spoonful of food and having her take 15 minutes to swallow."

The daughter goes on, "Other family commitments are putting a great strain on my household. Hurried meals, neglected laundry and [ignored] housekeeping", are typical in this family.

And then there is Beulah McDonald of Kinston, NC. She is 72 years old. Her husband served this Nation in the military for two decades.

Mrs. McDonald told me, "I have to work..."

She gets a little Social Security and a small stipend from her husband's military retirement. Now that she is over 65, with the limited amount she now gets from Medicare, and the deduction from the private insurance she must pay for—this 72-year-old woman, who has worked in her present job for 15 years—told me, "When I retire, don't know how I will make ends meet."

Beulah McDonald, who has done everything right in her life said finally, "Thank God, I am healthy enough to work."

With this budget plan, the majority is sacrificing senior citizens to satisfy affluent citizens. They go too far.

The billions they want to spend on the wealthy could more than pay for the cuts they want to make in Medicare.
Mrs. LINCOLN. Mr. Chairman, I yield myself 1 minute, just to respond to the comments that were just made.

First, Mr. Chairman, I am hearing from one side that we do not have any plan at all. A blank piece of paper was held up. We do not have any plan, we cannot see what the Republicans are talking about on Medicare. Now we hear the specific figures of what the Medicare cuts are going to mean in terms of additional costs.

Which way are we going to know the specific dollars or do we not? Which way is it? I would point out the gentlewoman from Arkansas has been talking about the alternative budget proposal that they are going to have, but it does not include any of the tax relief for senior citizens; and for the State of Arkansas, our tax cuts would mean $257 million less taxes for senior citizens in the State of Arkansas.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, we have heard some case studies of one family. We do not know about that family, or the tens of thousands of families that are abused by the welfare system.

Rosie Watson of Lake Providence, LA, qualifies for $46,716 a year in tax-free cash from the federal government. The Baltimore Sun, in a special report, details one woman's crusade to win disability payments. Rosie Watson has had all her children put on retroactive payments, part of $1.4 billion in payments.

In 1976 she lost her job as a waitress, and was given permission to revise and extend her remarks.

The Baltimore Sun's description of Watson's persistent efforts over many years to convince Social Security officials of her family's qualifications for benefits is a case study of the urban myth of welfare families ripping off the taxpayers. Rosie Watson, the Sun reports, gets $343.50 a month in disability payments.

Rosie was interviewed by the Baltimore Sun, which has said will never get off the welfare system infamously out of control. Rosie Watson, the Sun reports, gets $343.50 a month in disability payments after a 15-year struggle to get her Social Security benefits.

The Baltimore Sun, in a special report, details one woman's crusade to win disability payments. Rosie Watson has had all her children put on retroactive payments, part of $1.4 billion in payments.

Rosa Watson, the Sun reports, gets $343.50 a month in disability payments, after a 15-year struggle to get her Social Security benefits. Rosie Watson has had all her children put on retroactive payments, part of $1.4 billion in payments.

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Mrs. LINCOLN. Mr. Chairman, will the gentleman yield?

Mr. LEVIN. Mr. Chairman, I am glad to yield to the gentlewoman from Arkansas.

Mrs. LINCOLN. Mr. Chairman, to my friend from New Jersey [Mr. MARTINI], I think it is important to point out, especially for those watching, the tax break goes to the 13 percent of the top bracket of those in Arkansas. Most notably in my district, with an average income of less than $30,000, it is quite a lot. Basically the gentleman is taking from those middle income and lower incomes in the Medicare divisions, where I have above 10 percent of the national average in the elderly. I thank the gentleman.

Mr. LEVIN. Mr. Chairman, I would say to the gentleman from Pennsylvania, he should read the bill that the Democrats put together on welfare reform. We address the problems in SSI directly. We believe in reform. The issue is whether we want to be blind about it, and strike out wildly, or know what we are doing.

The problem with the Republican budget is, there is a responsibility. If you propose, you should disclose, and you do not. You have this figure for Medicare, and do not tell the public what will be the consequences. In that sense, it is deceptive. Being bold and not abiding by the facts is foolishness, and it sells short America.

Mr. Chairman, in terms of Medicare, if we assume beneficiaries will pay 50 percent of these cuts, we end up with a $2,500 cut or an average out of pocket over $2,500 in Michigan. In Connecticut, it is $3,800. In Arizona, it is $3,300. The average out of pocket impact. If we say that there is not going to be any impact on beneficiaries, read the communication of the gentleman from Connecticut [Mr. SHAYS] which lays out the options. It is not in the budget resolution. It talks about the impact on Seniors, and what kind of impact there might be in terms of deductibles, and in terms of copays.

Mr. Chairman, I want to go beyond, for a moment, the impact on seniors, and talk about the impact on health care generally, because again, you propose, but you do not disclose. The letter of the gentleman from Connecticut [Mr. SHAYS] says one of the ways to make it up is huge, huge cut in Medicare to cut direct and indirect medical education in disproportionate share.

These are not only urban hospitals, these are suburban hospitals. The proposal here is to cut, or at least this is the suggestion, one of the 3 options, $6 billion in direct costs, $21 billion in indirect costs, and $28 billion in disproportionate share.

For the hospitals in the area I represent, the district and beyond it, for the University of Michigan, it is a major cut. For the Detroit Medical Center it is a major cut. For the suburban Beaumont Hospital, it is a major cut. This will affect health care across the board.

Be honest, tell people that it is not just a large number, but health care is going to be impacted for seniors, and also for the hospitals for whom Medicare has been a proxy in terms of resiliency programs and disproportionate share.

There has been a lot of talk about the boldness, but boldness without honesty is recklessness. That is the trouble with this budget, it does not tell the public what is likely to happen. That is why I oppose the Republican majoritiy proposal.

Mr. Chairman, we can do better. We must reform Medicare. We must make some changes, but we have to, as we learned, let America look into what will be the meaning of it. I therefore oppose the majority proposal.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. The mystery is over. Finally we have someone explaining how they made up their numbers. I am happy to know how the gentleman made up his numbers. He basically said if spending is going to decrease from 10 percent to an increase of 5 percent, he said beneficiaries are going to pay half of it, and providers are going to pay the other half.

The gentleman makes one astonishing assumption. His astonishing assumption is that the increase in spending for Medicare patients and Medicaid patients has to be 10 percent. Why does the gentleman make that assumption? Why do we make the assumption that Medicare and Medicaid can only go up to 10 percent? We do not.

We are going to give beneficiaries new services. We are going to allow the private sector to offer a whole host of them. Beneficiaries are going to see their costs not increase to 10 percent. They will not have to pay these absurd increases that this side of the aisle has suggested.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. MARTINI], a freshman Member.

Mr. MARTINI. Mr. Chairman, over the last several days, and in anticipation of this historic vote, I have asked myself repeatedly, after all the debate is said and done, and I am sure those listening to this debate will ask the same thing, what is it that we are trying to do here in this Congress?

The answer, quite simply, is in voting for a balanced budget, we are bringing some discipline to a body which for too long has ignored the fundamental principle of fiscal responsibility. We have to bring accountability to a budget process run amok with neglect and abuse.

After years of overspending and piling up debt on the backs of our children, we are finally putting down a budget that will place a constraint, and fold in the spring of tomorrow will finally put us on a track toward erasing the Federal deficit and preserving the American dream for future generations.
Mr. Chairman, recently an auto mechanic in my district came up to me and reminded me of a television commercial of years ago, a very effective and albeit a very applicable commercial to this situation that we are debating here today. He related the story of the mechanic standing in the garage in his greasy coveralls, holding an oil filter, and warning all of us that we can take some remedial measures now at a very small cost, or pay him a much larger sum later at a far greater sacrifice.

Millions of Americans learned that simple lesson and the importance of that lesson early on when it comes to caring for their car engines. Similarly, the engine of government cannot long sustain years of neglect and abuse without, like the engine of your car, coming to a grinding halt.

Mr. Chairman, if we do as prior congresses have done all too long and avoid these much needed remedial steps, we will shortly be faced with a fiscal crisis of unsolvable proportions, with all the grave consequences related thereto.

Congress, I say, can no longer avoid its responsibilities. Our Nation faces a challenge, and this body has been elected to meet that challenge. We must, I say, vote for a balanced budget tomorrow.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Michigan [Mr. Kim].

Mr. KIM. Mr. Chairman, I have been listening to my colleagues on the other side of the aisle talk about how this budget proposal will hurt our children. They want us to believe that government subsidies are the only way our children will succeed in life.

Let me share with the Members a little bit about my family. When I came to this country, I was dirt poor. I did not know about the government subsidy programs, welfare, student loans, AFDC. Instead, I did it on my own. I worked full-time, and I went to college, with three children. It was not easy. It took hard work and sacrifice, but it can be done. I repeat, in America, it can be done without government subsidy. You can get a decent education without the government subsidy, I can tell you that.

Let us be realistic. Limiting the growth of Federal spending to 3 percent a year is not the end of the world. We are not eliminating all subsidy programs, for heaven’s sakes. All we are doing is slowing down the growth of the out of control entitlement spending. In fact, Federal spending will still grow by $400 billion over 7 years under our plan anyway.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I am more than happy to yield to my friend, the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. Faizio].

Mr. LEVIN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I am delighted to yield to my good friend, the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I want to say to my good friend from Connecticut [Mr. Shays], I think there is an understanding that there has to be consideration of where Medicare is going, but what bothers me is your message is, and I have heard the Speaker say it to seniors, you are going to get more by our providing less money, and it is not true.

The document that the gentleman from Ohio [Mr. Kasich] put together, and you do not find in the budget resolution, provides for expanded Medicare coinsurance. It would cost seniors $44 billion over 7 years. And the direct medical and indirect medical education costs, it would mean, and I will just take a second for hospitals in Michigan in my area, for Beaumont it would mean three-fifths would be cut per year, for the Detroit Medical Center about the same, $17 million, and there would be a like cut for the Ann Arbor Medical Center.

So tell the facts, tell the truth to the American public.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I am happy to yield to the gentleman from Michigan.

Mr. LEVIN. Let me just respond.

Mr. FAZIO of California. I am happy to yield to the gentleman from Michigan.

Mr. LEVIN. If I may respond, do not just talk about 10 percent. Tell people what it means if you go less. Acknowledge in your letter that there would be cuts in indirect, direct medical education, a disproportionate share that comes to $50 billion or more for hospitals in suburban and urban areas, and tell the seniors that there may well be an increase in their coinsurance of $44 billion over 7 years. Do not just say you are cutting from 10 to 7. Tell people what it means to them, to them.

Mr. FAZIO of California. Billions, and trillions, and we talk about words that are jargon in the medical-industrial complex.

What I would really like to do is talk about the Hopkins family in my district. Mrs. Hopkins is 69 years old. She and her husband have been married for more than 40 years. He works at a McDonald’s in order to make their Social Security payment go a little further. He has been doing that now for 5 years.

He worked for a small business that did not provide him any pension. He is now solely dependent on his work in his later years and his Social Security. That is all that they have to live on.

The good news is at the moment they do not have any copayments under Medicare, and they certainly could not afford them. They have a rental cost in the amount of $490 a month. They can barely pay that as it is. If they were to have to pay another $2,000, $1,000 for each of them on their Medicare, it would put them not in a precarious economic state, it would put them there.

These are people who have worked all of their lives and do not deserve that kind of treatment. Mrs. Hopkins has a heart condition. She has asthma. She has arthritis. She has to pay for her own medications. She has to pay $200 a month. She and her husband can barely afford that as it is, but they do not have a choice. Nobody else is going to pick up their prescription costs; they have to have their medication.

Mrs. Hopkins was telling me the other day she was required to go to the hospital. She is pleased that the ambulance and the hospital were paid for, but she said they asked her to pick up another $130 for 20 pills, and she does not know where she is going to come up with that money. Does she cut the food? She cannot cut her rent; she has to pay her electric bill. They have not bought clothing in a long time. That is not a place to go for extra money.

She said yesterday to me, “I have to pay my Medicare alone. We could not make it without Medicare. My last trip to the hospital just about broke us.”

So Mr. Chairman, I have to ask how we can in good conscience lower the standard of living for people who are already struggling at the same time providing tax breaks which go, in my opinion, largely to people in our society who have had the best of the last 15 years, the top 20 percent who are doing well?

The gentleman from Oklahoma said we do not worry America, we are spreading the pain. Well, I understand that there is a lot of pain being spread around. What I am frustrated about is the fact that there is not much spreading around of the gain.

This is all part of a totality here. As the gentlewoman from North Carolina said, if we did not have the tax cuts in this budget resolution, we would not be cutting Medicare. We can reform Medicare, we can take a comprehensive approach and help everyone whose costs have been going up in the health care field,
Mr. KASICH. Well, you cannot pay the beneficiaries anything, but if you want to scare people, you go out and throw all of these numbers around.

I am going to tell you the facts. If we do not get the program under control, it simply is not possible that the program go bankrupt, but so does it threaten the long-term financial stability of this Nation. We have no right, we have no right to pile debt, red ink on the backs of our children. That is why we are going to do the responsible thing.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Fazio].

Mr. FAZIO of California. I just wanted to ask the chairman of the committee, the Hippocratic Oath says when you are providing health care, do no harm first. Can the gentleman tell me why we decided to give the 13 percent of elderly who are at the top of the income strata a tax break earlier this year, and encompass that in this budget by directly undermining the Medicare trust fund before we even began to talk about the crisis that seems to be suddenly coming on the majority?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Ohio.

Mr. KASICH. The gentleman was so quick to punish people when he raised taxes on them. What we are attempting to do is to cancel out the huge tax increases and the big Government programs that you had.

And let me say to the gentleman we have a number of provisions in here that are designed to give people a better life, families a better life, Social Security recipients more earning power.

Mr. FAZIO of California. The gentleman has not really responded to my point. The point is you are undermining the Medicare trust fund and you are doing it in a way that advantages the very wealthiest seniors and asking all of the rest to pay another $1,000 a year.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. Obey].

Mr. OBEEY of Wisconsin. Mr. Chairman, I think the gentleman for yielding me this time.

Mr. Chairman, let me simply say there are four reasons to vote against this bill. The first is that it simply is not going to balance the budget. I have been here before. I remember in 1981 when we had a wizard by the name of Gramm-Rudman. Now we have a different wizard, but the results are going to be the same.

Mr. Stockman told the Congress just follow Reagan’s lead, you can have it all, baby, you can cut the taxes, you can double military spending, and you will still balance the budget in 4 years, and you know what, they only missed by a couple hundred billion dollars.

So then we had Gramm-Rudman No. 1, Gramm-Rudman No. 2, Gramm-Rudman No. 3, all multiyear promises, going to balance the budget, baby. And guess what happened? They missed three more times.

Now we are in here with the fifth multiyear promise. And do not take my word for it, read the Wall Street Journal, that well-known left-wing newspaper. And what do they talk about? They talk about the fact that this package is back-loaded, small tax cuts to begin, huge tax cuts in the out years. I guarantee you, you are not going to see a balanced budget if we follow this package. If you are going to see mountains of debt.

The second reason to vote against it, you have savage cuts to domestic programs. Do you really know what is going to happen to the National institutes of Health and the people who rely in the context of health when you cut it by 5 percent and then freeze it for 5 years? You erode the purchasing power of medical research by 25 percent.

What good is that going to do folks on Medicare and Medicaid, or any other program in this country? You are looking to try to escape from the most devastating illnesses in the world?

The third reason to vote against this is simply because you do have these devastating cuts in Medicare and Medicaid. Do you really believe the American public wants to see you make these kind of reductions so you can give big, fat tax cuts for people making between $75,000 and $200,000 a year? I do not think so.

I would simply say this to the gentleman from Ohio, yes, you have to repair the Medicare trust fund. And yes, in the context of health, when you cut it by 5 percent and then freeze it, you can talk about reductions that go at waste and fraud, but I tell you, if anybody thinks you can cut this much out of Medicare and Medicaid without seriously damaging seniors, you are something that ain’t legal. You just cannot do it.

The fourth point I would simply make is that all of these budget changes are going to make this country worse in terms of the equitable distribution of income growth. This chart shows that from 1950 to 1978, income growth in this country was shared across the income spectrum. Whether you were in the poorest fifth or richest fifth, you did pretty well.

Everybody’s income went up. Here is what has happened since then. Unless you belong in the top 20 percent of this society, you have barely kept up, and if you are in the middle and below, you have lost ground dramatically.

These budget cuts, these cuts in Medicare, these cuts in Medicaid, these tax cuts that give two dollars on the tax benefits to people making more than $70,000, and 1 percent of the benefits to people making less than $20,000, will make that gap worse. That is typical
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Republican prescription in this country. People have come to expect the Republican Party to support prescriptions that largely benefit the wealthy.

I hope that the Democratic Party will not follow suit, and I hope that well-to-do members on this side will join us as well in opposing a plan which makes this situation much worse.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, as a small business owner and a father of nine children, I am concerned about the future of this Nation. For too long, Washington has mortgaged the dreams of our future generations.

For example, a child born today already owes $187,000 in interest payments on the $4.8 trillion national debt.

However, Mr. Chairman, today is the dawn of a new day in Washington. This is truly a historic occasion. For the first time in 26 years, this Congress is on the verge of enacting a plan to balance the Federal budget.

Mr. Chairman, this budget is about beginning to pay off our debts and restoring the American dream. It is about renewing hope for the next generation and about restoring prosperity to our cities and the economy.

Mr. Chairman, last fall we made a promise to the American people to bring the budget to balance. In this budget, we keep that promise.

Mr. Chairman, unlike my Democrat colleagues on the other side of the aisle, this is not an arcane meat ax budget. Last November, the American people asked us to streamline government and make it more efficient, and that is exactly what we are doing. We can, send programs back to the States and local governments. We also attempt to eliminate redundant programs.

Under this budget, spending continues to grow, but it will grow at a slower rate. For example, over the next 7 years this budget pledges to spend an additional $1.2 trillion.

I urge my colleagues to vote “yes” on this budget.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. Kolb].

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

Out of the debate this evening, we have heard from several speakers who talked about how we are going to make it impossible for people to go to school because we are going to cut off the in-school interest subsidy. That has been raised on several occasions.

Well, I think it is just worth noting here what we are talking about in terms of both the additional cost that a student will incur as a result of this interest subsidy and whether or not they will be given to them during the time they are in school versus how much that individual can expect to earn as a result of getting a college education.

Now, the chart that you have here shows these two figures. This is on average the amount, total amount, that a student will pay in addition, because we are simply saying you are not going to pay the interest while you are in school, we are just going to add it on when you graduate from school, and that will add a total, over the course of paying off that loan, on average $2,562. Some will pay more, some will pay less, but that is the average figure that they will pay. Over the course of the month, not even that much, actually, on a Big Mac.

Here is what the student is going to earn as a result, additional: this is the added earnings that a college student can expect in the course of their lifetime by having a college degree, a 4-year, a bachelor’s degree, $525,000.

Do I think that it is unfair to ask the college student that is going to earn $525,000 to pay when they graduate that $2,562 additional interest rather than saying to the person who is out there, the young mother or the single parent who is working, scraping to keep her kids, take care of clothes, feed her kids, to the individual, is it fair to say that the student should be subsidized and that it should be paid for by the mother who is out there working, by the factory worker who is out there trying to keep his family together, by the senior citizen who is out there scraping to pay their taxes so that this individual who is not going to pay this while they are in school but is going to pay it out of their future earnings, do we think it is unfair that they should pay that amount against the $525,000 additional earnings that they are going to have because they have a college degree? I do not think so. And I do not think the American people think that.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

I would only suggest to my friend, the gentleman from Arizona, that when that person graduates from college and if they are a social worker or if they are a preacher going to a rural community in this country, endless college graduates, they do not have that big chart of yours when they are going to make lots of money, and they can deal with that because they have progressive income tax, but when they leave college, that person is not having that.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, Medicare is a lifeline for 37 million Americans, providing them the health care they need to enable them to live longer without bankrupting themselves.

Prior to its enactment, seniors often went without help, causing medical complications that could have been prevented and additional costs that could have been avoided. With the Republican budget, the Medicare care 37 million Americans depend upon is in jeopardy due to the Republican budget plan that cut billions in Medicare to pay for tax cuts for millionaires. This Republican budget would fulfill a contract with the wealthy, but at the expense of breaking a contract with the elderly. This Republican budget plan would end seniors’ choice in selecting their own hospitals and their own doctors.

This Republican plan would hurt working families who have to cover the costs that their parents cannot for their medical bills. This Republican budget plan threatens to close more hospitals, particularly in rural and small towns across the country.

It is the wrong choice for our country. We can afford to take care of health care for those who have made this country great.

I urge my colleagues to vote against the Republican budget plan.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding.

My friend from Illinois may not realize that under the Republican plan, Illinois will get $2.7 billion of additional dollars in the next 7 years. Their per beneficiary for Medicare is now $4,500. It will go to $6,000 per beneficiary, per beneficiary.

We are not cutting choice for seniors. We are going to change the system, allow them to keep what they have, if they want, but we really believe they are going to choose to be in programs that will provide them rebates and give them other opportunities, and in our plan we hope that we can allow seniors to police their bills and get 10 percent of whatever they find is a mistake.

We are going to open the options. We are not going to cut. Only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Nussle].

Mr. NUSSEL. Mr. Chairman, well, I thank my good friend, the chairman of the Committee on the Budget, for yielding.

You know, folks, we have had about 4 hours of debate now, and we need a little bit of a break. We need to take a break from all the rhetoric and have a little bit of fun.

The folks listening and the folks here in the Chamber, we are going to have a little budget quiz at about halftime.
First, Mr. Chairman, I would like to reiterate the burning question in today's debate. Why are the Republicans cutting Medicare to give a tax break to the wealthy? First, my colleagues, let us be honest. This debate is not about whether we need a balanced budget to protect our children's future. The Black Caucus can offer a balanced budget from the progressive point of view by closing tax loopholes. On the conservative side, the Republican Caucus's proposal offered front-loaded budget cuts to also get to a balanced budget. What they have in common, however, is that neither of these Democratic approaches will gut Medicare to give a tax break to the wealthy.

Here are the facts. There are 37 million Medicare recipients 65 years or older. Their average income is $20,000 a year. The Republican plan cuts $283 billion from Medicare and will cost each Medicare recipient an additional $1,000 by the year 2002. This means larger copayments, higher deductibles, and the loss of choice of doctors. Meanwhile, on their side of the ledger in the Republican plan, 11 million Americans, wealthy Americans, will get over $200,000 a year in tax cuts. Wealthy individuals make over $200,000 a year. They will get a tax cut totaling $3.345 billion. When we talk about Medicare cuts, the Republicans are quick to say, "Wait a minute. This isn't a cut. Seniors will actually get more money in the year 2002." Yes, but the problem is that more people will be eligible for Medicare, and the increased costs of services will mean that what they are providing is not enough to solve the problem. It is like throwing a 20-foot rope to a man who is drowning 30 feet from shore. It is not good enough to say, well the rope is longer than the 15-foot rope we threw to that other guy who was drowning.

It is also well understood to say, well, somehow services will be cheaper, and people will be able to get them and have better choices because they never explain any of that. They just come before us with these miraculous cures. Finally, the Republicans tell us we have to do all this because the Medicare system is going to be insolvent. Well, last year we said, "If you want to reform Medicare, you need a comprehensive approach." They were not interested. Today we could go a long way toward solving the Medicare problem if we did not have to give a tax break for the wealthy.

Mr. Kasich. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. Shadegg], a member of the committee.

(Mr. Shadegg asked and was given permission to revise and extend his remarks.)

Mr. Shadegg. Mr. Chairman, I think the debate today has been fascinating. It illustrates just how far out of touch all of this has become. The American people are screaming for change. They are fed up with a Federal Government that is too fat, and too bloated, and too out of control, and what we hear on the other side of the aisle is a litany of defense of the status quo. This program cannot be cut, that program cannot be cut, and change. They like things just as they are. Well, that is not what the American people asked for in the election on November 8, and that is not what we came here to deliver.

I just listened to my distinguished colleague from the other side who said that the Medicare Program in our plan cuts further than it ought to. Well, I would like to ask the question: "Precisely what are the proposed changes in the Medicare plan under your balanced budget proposal?"

"Oh, you don't have a balanced budget proposal. I see, you have the Clinton proposal, which is grow. You have a conservative side which says the Medicare system will be bankrupt in less than 6 years, what we are going to do about it is play Chicken Little, or something of that sort, and bury our head in the sand and do nothing."

Mr. Chairman, the American people deserve better than that. We have a Federal Government which is totally out of touch with the people it governs. Let me cite some statistics for what we do and why we have in 1963 to 1993 comparison is what I would like to talk about. Since 1963, Mr. Chairman, the average weekly wages of a blue collar worker in America are up 398 percent. Average wages, blue collar worker, up 380 percent. The Consumer Price Index is up 458 percent. Let me contrast those numbers with the Federal Government. Federal Government receipts are up 1,024 percent. Federal Government expenditures are up 1,241 percent. The deficit, the problem that they would just as soon ignore, the deficit since 1963 is up a staggering, and listen to this number, 6,102 percent. I got to ask what would the deficit have to increase for our friends on the other side to do something about some change? I don't know what it is; I am still waiting for their balanced budget plan.

Mr. Chairman, when the average weekly wages are up about 400 percent, but Government is up in its receipts 1,000 percent, its expenditures 1,200 percent, and its deficit 6,000 percent, it is time to act. It is time to act...
responsibly. It is time to bring the Government's budget into balance, and that is what this Republican budget does.

When I was in Prescott, AZ, at the field hearing and in Billings, MT, the American people said they were willing to participate as long as it was fair. This measure is fair, I urge its support.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I think the real issue here is not the concern, as the gentleman from Ohio [Mr. KASICH] suggested, of fiscal bankruptcy, but moral bankruptcy. The ranking member comes from an area of the country in which Hubert Humphrey came from, and he said that the test of a civilized society is how we treated those who are young and those who are old. I cannot understand all of this applause and rah-rah. We cut education and Medicare programs.

The gentleman from Virginia [Mr. WOLF] quoted a little scripture. I guess one could say, "We'll forgive you because you know not what you do," but I think the gentleman does understand exactly what he is doing because with this same blade that he is cutting Medicare he is cutting taxes for the rich, and we should leave the rest with Americans. Most of all, Mr. Chairman, we should leave them with a balanced budget because what we have been doing for a generation on and year after year, in addition to the future, more, is we have been borrowing from our children and from our grandchildren. We have been borrowing from the people of tomorrow for the medical care they are going to need, and we should leave the rest with Americans. Most of all, Mr. Chairman, we should leave them with a balanced budget because what we have been doing for a generation or more, is we have been borrowing from our children and from our grandchildren.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, just before the gentleman from Iowa [Mr. NUSSELE] spoke, and in 1991, he came with a bag on his head, and now he has showed he is a very good stand-up comic, but unfortunately the Republican plan is not very comical. In fact it is downright tragic, and the fact of the matter is that Medicare and Medicaid cuts count for nearly one-third of the savings in this bill. The bottom line is not how much money each State gets and the fact they might be an increase or a decrease. The bottom line is by the year 2002, Mr. Chomont, seniors in the United States will be getting less health care coverage and will be paying more in 2002. That is a fact. The fact of the matter is that any kind of increase does not make up for the fact that there will be more seniors in the program and does not make up for the rate of inflation.

So who is kidding who? A 25 percent cut in the Medicare Program by the end of the year means to seniors in America fewer benefits, much higher out-of-pocket costs for seniors and less choice of doctors, forcing seniors into HMO's.

Mr. Chairman, my mother who lives in south Florida is a good case in point. It is petrified about having to be forced into an HMO. She lives off meager Social Security. There has been no pension since my dad died, and there have been millions and millions of senior citizens just like her, people who spend $300 and $300 a month on prescription drugs and get no help from the Medicare Program. What are these people supposed to do by the year 2002? Choose between food or choose between staying alive with medication?

The fact of the matter is that we are reducing this program, and seniors will have worse health care in this country.

Mr. ENGEL. Mr. Chairman, just beginning to cut Social Security? The Republicans are cutting Social Security by $300 billion between 1999 and 2002 due to the cost of living changes.

So this is not very funny. This is life and death to most people.

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Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I almost feel like I need to apologize to my colleagues for being so emotional when I spoke earlier in the day, but I speak from the heart because I think this is very much about my children and children across my community and across America. I want Members to take a look, Republicans and Democrats, at two of my children. Molly and Kelsey, one 3 and one is almost 2.

I know many Members on both sides of the aisle have children and grandchildren and may differ on the ultimate issue. But I so believe in this budget, this mission of getting to a balanced budget, that I reluctantly invite...
their name and introduce them to you. They are probably asleep right now while we are arguing about their future, but that is exactly what is at stake, whether we are going to make the tough calls to protect them and others like them.

I would like to quote Alan Greenspan, who has been appointed by both Republicans and Democrats and is respected by both sides of the aisle. The Federal Reserve Chairman said in testimony:

I think that under a balanced budget, productivity would accelerate, the inflation rate would be subdued, the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes would significantly improve, long-term interest rates would fall significantly, and most Americans would look forward to their children doing better than they.

What better moral message do we have for America than that we are going to give our kids the opportunity to do better than we are doing today.

Mr. Chairman, I yield back the balance of my time.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding time to me. Mr. Chairman, there are no fun and games in this budget for my constituents.

There is one sure way to understand the foolish, heartless, meat-ax document that passes for a budget resolution before us today. Folks who would begin by cutting their grandparents' Medicare, and school lunches at a 65 year old person that is retiring this year and you expect to live 10 more years, and you can certainly expect to do that, in the last 3 years under their plan you will have no Medicare, because it will be bankrupt.

Under our plan it will continue to improve, long-term interest rates would fall significantly, and most Americans would look forward to their children doing better than they.

Mr. PAYNE of Virginia. Mr. Chairman, I support a balanced budget, and I support balancing the budget by the year 2002. The deficit has sapped this Nation's productive capacity, hindered job growth, and mortgaged our future.

The Republican resolution gets us to a balanced budget by 2002, but it takes a sharp detour on the long and difficult road to get there. That detour comes in the form of a 7-year $285 billion tax cut.

It is a tax cut that most Americans don't want, and that most economists don't think we need. It must be financed by deep spending reductions in programs that promote growth and serve the most vulnerable citizens among us.

Fortunately, we will have a choice tomorrow. A budget put forth by the Democratic Coalition, which I support, is direct. There are no detours and no backloaded spending cuts. It is a budget that contains plenty of tough choices and deep reductions in spending, but it does not provide for any ill-conceived tax cuts. And because it doesn't, it is vastly different from the Republican budget.

Because there are no tax cuts, the Coalition's budget spends $112 billion more for Medicare than does the Republican budget; $6 billion more for Head Start, job training, and other education programs' $6 billion more for Community Development Block Grants, the Economic Development Administration, and other programs that promote economic growth and good jobs in our rural communities; and $11 billion more for child health care and immunization, rural health care, and research funding at NIH.

The Coalition's budget also preserves the Guaranteed Student Loan Program in its present form, which assures that thousands of young Americans will realize the dream of a college education. And because the Coalition's budget doesn't take us down the road of immediate tax cuts, it not only balances the budget, but it also projects a total national debt that is $150 billion lower.
Mr. KASICH. Mr. Chairman, I yield $1 34 minutes to the distinguished gentleman from New York [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, the gentleman before that from New York [Mr. SABO] for the balance of his time.

Mr. SABO. Mr. Chairman, for the balance of his time, I yield to the gentleman from Minnesota [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this is not fun and games, this is very serious business, and for any of us, on both sides of the aisle, we know that and do not need to be reminded of it. We are talking about our children and our children’s children. We need to slow the growth in spending.

Now, when we talk about Medicare, because it has come up continually and we continually hear Members talk about cuts in Medicare, the previous Member who spoke, the gentlewoman from the District of Columbia, talked about cuts in Medicare. And yet in our plan it goes up 45 percent in the next 7 years.

The gentleman before that from New York talked about cuts in Medicare, and yet it goes up 35 percent. The per beneficiary costs are going to go from $5,312 to $7,000. We are taking into consideration the increase in beneficiaries and we are providing more money.

In general, our plan goes from $178 to $259 billion. I keep saying it, because anywhere else this is an increase, but in Washington, among some on that side, it is a cut.

When we talk about what we are spending in Medicare, in the last 7 years we spent $925 billion. In the next 7 years we are going to spend $1.6 trillion on Medicare. In this city an increase in spending is called a cut. Only here.

The per beneficiary expenditure for all beneficiaries is going to go up from $48,000 to $63,000 per beneficiary. We are taking into consideration beneficiaries. Yes, it is not going to go up 10 percent, it is going to go up 5 percent. The reason it is going to go up 5 percent is the fundamental problem. If it goes up 10 percent, and if it is exhausted, we run out of money. If we run out of money, we cannot pay beneficiaries. In our plan CBO points out in the year 2002, 2003, and 2004, we provide more money for beneficiaries in Medicare than letting the plan go bankrupt. That is obvious, if it goes bankrupt. We want to change that.

The bottom line to this debate is we believe that Medicare recipients deserve choice. We believe they deserve the opportunity to have the same kind of plans their children and their children’s children have. We believe if they want to join them in an HMO for a $1,000 rebate, who should they not be able to join that kind of plan? If they are given a plan that allows them to be part of an HMO and save money, why should they not be allowed? Under our present system, we do not allow it. If we think spending is going to go up at 10 percent, then you can say it is a cut. We know it is going to go up 5 percent. Mr. SABO. Mr. Chairman, I yield $1 34 minutes to the distinguished gentleman from New York [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, the House Republican budget promises to balance the Federal budget by the year 2002. They say that this is the will of the American people. But at what cost do we have to keep the budget balanced? Mr. Chairman, I ask, is the Republican approach consistent with the will of the American people?

The House Republican budget promises to cut Medicare funding by $203 billion over 10 years by $187.7 billion, and reduce the Social Security COLA in 1999 by 0.6 percent, so that they can balance the Federal budget and provide a huge tax cut to the rich. The Republicans’ logic, they say, is that a huge tax break for the wealthiest Americans will be good for the country and allow savings to invariably trickle down to the rest of the Americans who live in the real world.

Now, where have we heard that one before? Mr. Chairman, why are we cutting Medicare benefits in order to give a tax break to corporations and to the wealthiest Americans? Three and a half years ago this colleagues talked about cutting spending in California [Mr. TUCKER].

Mr. TUCKER. The Washington Post this week reported that 60 percent of the American people find that the Republican budget is objectionable, and 85 percent of Americans find that they are opposed to cuts in Medicare.

Mr. Chairman, I must say that the Republicans on November 8 thought that they had a mandate, but the American people have clarified that mandate. Hands off Medicare, Social Security, and education. Balance the budget, yes; but not on the backs of the wealthiest Americans. The losers are the senior citizens, inner-city youth, and providing job training for adults.

Enola wants to know, because recently she had a heart attack, and she said when you get older and this horrible thing happens to you, like a heart attack, you realize what a wonderful benefit Medicare is.

Medicare paid for Enola’s convalescent care. Enola asks, why do the Republicans want to break their promise to millions of seniors like her. Why indeed? They have to do that, they have to do that in order to make the $300 billion off of seniors in order to pay for their $300 billion tax break for the wealthiest Americans; 37 million senior citizens will lose $900 a year in order to provide a $20,000 tax break for Americans in the highest bracket.

This simply is not fair. The winners in this deal are the corporations and the wealthiest Americans. The losers are the senior citizens. Vote no on the Republican budget.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 3 ½ minutes.

Mr. KASICH. Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I know the gracious gentlewoman from California talked about cutting spending in California. I would just like to point out to her, they get $21 billion now and they will get $33 billion under the Republican plan in the next seven years. That is a 46 percent increase in Medicare. The per beneficiary goes up from $5,800 to $7,668. Only in Washington is an increase like this called a cut.

Mr. KASICH. Mr. Chairman, we come to the end of the debate tonight. I have to tell Members that we have been receiving phone calls from people trying to tell us how we can argue against those that have argued for the status quo. They hear the voices of America. We know you want us to do it.

The Committee on the Budget traveled across this great country. And do you know what people said? “I just do not pay beneficiaries. In our plan CBO points out in the year 2002, 2003, and 2004, we provide more money for beneficiaries in Medicare than letting the plan go bankrupt. That is obvious, if it goes bankrupt. We want to change that.

The bottom line to this debate is we believe that Medicare recipients deserve choice. We believe they deserve the opportunity to have the same kind of plans their children and their children’s children have. We believe if they want to join them in an HMO for a $1,000 rebate, who should they not be able to join that kind of plan? If they are given a plan that allows them to be part of an HMO and save money, why should they not be allowed? Under our present system, we do not allow it. If we think spending is going to go up at 10 percent, then you can say it is a cut. We know it is going to go up 5 percent.

Mr. SABO. Mr. Chairman, I yield 1 34 minutes to the gentleman from Minnesota [Mr. SABO] for the balance of his time, 1 ½ minutes.

Mr. SABO. Let me thank the Chair for his excellent job in presiding today.
it.” Just like that athletic commercial, just do it. And if you will do it, we will reward you.

I know it has been said that as we traveled around the country that people said, well, we do not need the tax cuts; we need to balance the budget first.

A lot of people in the press say, We gotcha, that is what they told you.

No, that is not what they told us. What they told us was, we want to put America first. And if we have to give something up, including some tax relief from this big Government of ours, we are willing to do it. But the great news is, America, we can do both. Just like we told you we would, we can do both.

We can preserve, we can protect, we can improve, we can save Medicare from bankruptcy. We can slow the growth of entitlement programs and design much better programs for trillions of dollars of increase. We are going to get rid of needless bureaucracy.

I want to tell you why I keep going back to this lady in Chicago that I saw one day. I bought a hot dog, and they have got great hot dogs in Chicago. I am watching this lady clean the tables. And I was very, very moved and I go to work to make a little extra money for her family. And when we take money from that lady, when we take money from any of the working people of this country, it better be for the right thing. And what we are doing is reinventing Government, downsizing the Federal Government, giving control and power and influence back to people where they live because they feel now and they know now they can do better than turning to the bureaucracy in Washington to solve their problems.

So tonight we are going to go home. We are going to think about this debate, the majority, the minority. We have had on our side two treasured speakers from the Democrat party, the gentleman from Mississippi, Mr. PARKER, and the gentleman from Texas, Mr. PETE GEREN. Mr. PETE GEREN was as animated as I have ever seen him about the joy that he is experiencing about the fact that we are about to change history.

Tonight when we go to bed, forget about being Republicans and Democrats, think about making history, think about being the future, think about the next generation and we will do the right thing.

Mr. BEREUTER. Mr. Chairman, this Member would like to express his support for the House Budget Committee-approved budget proposal. Congress must act now to adopt a plan to balance our Nation’s budget, and currently the plan is not adopted, and current policy is maintained, our Nation’s children will be left with a country that is fiscally bankrupt. A balanced budget will ensure that the next generation will inherit a future that is full of opportunity.

This Member shares the goals of the budget committee to eliminate the budget deficit by the year 2002. The budget proposal offers a road map to achieve this goal by providing illustrative savings recommendations to the Appropriations Committee and the various authorizing committees, demonstrating that the budget can be balanced. While this Member notes that these recommendations included in the budget proposal are nonbinding, the overall spending and tax levels which must be adhered to by the Appropriations Committee.

This budget proposal offers a common sense approach that allows spending to continue to grow, yet at a slower rate. In fact, Federal spending grows about 3 percent annually under this budget proposal, rising from $1.588 trillion in fiscal year 1996 to $1.817 trillion in fiscal year 2002.

In addition, this Member would like to commend the House Budget Committee for recommending the termination of many wasteful Federal programs. However, this Member would like to state his concern regarding several of the programs suggested for termination or reduction. These suggestions should be reconsidered during the deliberations that will take place between now and the start of the new fiscal year. This Member’s concerns with the recommendation of the House Budget Committee are as follows:

1. Sharp reductions in agricultural commodity support programs;
2. Sharp reductions in export promotion, credit and insurance programs. During the GATT subsidy phase-down period, this amounts to something close to a unilateral disarmaent for our export base;
3. Elimination of such programs as the community development block grant, the Hispanic and the Indian Housing Loan Guarantee Program;
4. The elimination of several rural health programs;
5. Deep reductions in vocational education programs;
6. Termination of State student incentive grants;
7. Sale of the Western Area Power Administration;
8. Elimination of section 2 and section 3(b) impact aid programs;
9. Complete phase-out of Corporation for Public Broadcasting;
10. Total phasing out of the entire Amtrak operating budget.

In linking these concerns I would emphasize that alternative reductions in other programs and agencies would be supported by this Member to meet the budget targets. Having listed these objectives or concerns to the illustrative or suggested House Budget Committee recommendations, this Member is pleased to note that the rule contains clarifying language regarding recommendations that are agricultural programs. Included is a commitment to reexamine agricultural policy in 1999 and 2000 if there are negative consequences as a result of these reductions.

Mr. Chairman, the House Budget Committee proposal departs from the failed status quo: It offers bold leadership for a balanced budget by the year 2002. This proposal is an important step in the effort to secure a bright and prosperous future for our Nation’s children.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to House Concurrent Resolution 67, the Republican leadership budget resolution for fiscal year 1996. I believe the Members of this House are unanimous in agreeing that we must bring the Federal deficit under control. While there are differences over whether the budget must be in absolute balance or whether deficits, and surpluses, have a role in stabilizing the economy, getting the deficit down is a universal goal. We must reduce the amount of debt we leave to our children.

There will be legitimate questions about how fast to go, how steep a glideslope is fair or wise. The Rules Committee’s requirement that all amendments produce a balanced budget by fiscal year 2002 limits the proposals this House may consider to those that slam the brakes on Federal spending. The result will be economic whiplash. The Republicans’ budget, which must cut Federal spending deeply enough to finance tax cuts for corporations and the wealthy, would aggravate the whiplash: balancing the budget in 5 years as in the Solomon-Neumann substitute, would break the neck.

The most basic function of a compassionate society—of all its institutions, from its churches and charities to its national government—is to protect and nurture the most vulnerable of its people. It is unconscionable to force a balanced budget when it causes so much pain to so many in our population.

The only alternative to the Republicans’ budget is that the slightest bit compassionate is the budget for the caring majority, to be of particular interest to Payne, Owings. It is even that had to be developed within the artificial restraint of balancing the budget by fiscal year 2002.

Mr. Chairman, the priorities in the Republicans’ budget are as wrong-headed as the rest of their program this year.

We have talked about many of their misplaced priorities during House consideration of the Contract With America, when the House passed their bills to slash the Social Security net, especially for our children, to disarm our crime-fighters, to turn environmental policy over to the polluters, and to give tax cuts to corporations and the wealthy, among other things.

Then came the House-passed rescissions bill, cutting funds for training and employment, especially summer jobs for youth; for home energy assistance for the elderly and the poor; for disease prevention; for a whole range of education programs; and for basic housing assistance.

The Republicans’ budget assumes all these cuts and changes and goes after the elderly as well. There would be cuts in Medicare spending that will require higher deductibles and copayments, less care, less choice of doctors. Medicaid would be a non-entitlement block grant, threatening both the programs and the ability to keep the elderly and disabled in their own homes and the support that provides for their long-term care without impoverishing their entire families. And in a few years, the Republicans assume the Consumer Price Index will be adjusted, which will cut Social Security COLA’s and increase indexed taxes.

This is, basic disconnection in the thinking behind the Republicans’ budget. We must, they say, balance the budget to ensure our children’s future. But what sort of future will they have if we cut spending for maternal and child health; freeze Head Start; cut day care; kill reforms and withdraw resources from elementary and secondary education—especially from disadvantaged and immigrant children; and Federal funding of libraries—the most
CONGRESSIONAL RECORD – HOUSE

Mr. Chairman, we have had hours of debate on this budget resolution and I think the issues are clear. I wish the arguments from our side would lead the Republicans to support a more compassionate Federal budget, but I know the votes aren’t with us. But I urge my colleagues to think very hard about what this budget means for our country and oppose it and hope many of my colleagues will do the same.

However, there is a good deal behind the number that I do not agree with or support. I do not agree with the tax cut passed by the House and assumed in this budget resolution. This tax cut will make it $354 billion harder to reach our goal of balancing the budget and simply comes at the wrong time. While I agree that relatively targeted tax breaks for business which will help the economy grow and provide necessary jobs such as reductions in capital gains, enacting a sweeping package of tax cuts such as this has the potential of overstimulating the economy and risking inflation.

I believe that biomedical research must be one of Congress’s highest priorities in allocating scarce federal funding. Federally supported biomedical research creates high-skill jobs, helps retain our country’s worldwide leadership in biomedical research, and supports the biotechnology industry which generates economic growth and a positive balance of trade for our country. In this respect, it is an investment that is quintessentially Republican.

Research provides hope for effectively treating, curing and eventually preventing disease and thereby saving our country billions of dollars in annual health care costs. The development of one new medicine alone provides thousands of discoveries supported by NIH funding—in terms of health care savings—has more than paid for our country’s five decades of investment in Federal biomedical research.

For these reasons, the cuts for NIH designated in the budget package are, to me, extremely ill-advised.

Defense spending, in my opinion, is not sufficiently sharing in the burden of reducing our Federal deficit. While I believe that providing for our national defense and strengthening our troop readiness is essential, increasing the budget authority by $120 billion and the budget outlays by $75 billion cannot be justified in these times of fiscal restraint. We need to rid our defense budget of cold war relics which do not work as well as the Seawolf submarine, and focus on meritorious defense initiatives that will provide for troop readiness and add to the quality of life for our military.

In addition, America’s ability to influence the world and provide necessary leadership is at its zenith, and further cutting foreign assistance at this stage is the wrong answer. We have already reduced foreign assistance by one-third over the last 5 years. Further reductions in this area, which is less than 1 percent of our total budget, will undermine our leadership for American values of democracy, human rights and free market economies at the exact time when their advancement is most possible.

I think it would be particularly shortsighted for Congress to eliminate the Board for International Broadcasting and the Voice of America. These two agencies are among the best vehicles for enhancing our values worldwide. Radio Free Asia, a part of the BIB, sends a message of freedom and truth to people in repressive situations around the world.

Finally, I support the elimination of departments’ agencies, and programs that will assist the Government in becoming more efficient, however, I do not want to do so simply as a symbolic gesture. There should be real savings and efficiencies generated in this process.

While my differences with the resolution details are substantial, I think that John Kasich and the Budget Committee deserve credit for having the courage to put us on track to getting our economic house in order.

We have heard for so long now the rhetoric of the Republican majority promote the false notion that their mission is to dismantle the Federal Government is based on a mandate of the American people. My constituents, however, do not want to dismantle the Federal Government—they want smaller government that works better and is more efficient. The American people want wasteful functions and programs eliminated, they want programs that work to be left alone, and they want fairness and equity in the allocation of limited Federal resources.

The former Democratic majority had been working to meet this mandate for at least the 4 years prior to last November’s elections. It passed historic deficit reduction legislation in 1990 and 1993 that set a course for a stable budget and massive deficit reduction. In 1990, the Democratic majority broke the partisan logjam that prevented unified deficit reduction action on the part of a Democratic Congress and Republican President. In 1993, despite the precedent of the Democratic majority passed legislation that has brought our deficit down to its lowest level as a percent of the economy since 1979.

These successes, however, were understandably not enough for a public weary of politicians and the status quo. The American people said in last year’s elections they want change faster than Democrats provided. It is my belief, therefore, that the new Republican majority had a tremendous opportunity to help ensure a balanced budget and meet the challenges of the future.

Mr. Chairman, it now appears that such an opportunity is lost. It is lost because the Republican Majority not only targeted the wrong programs and which demands tax cuts for the wealthy. This ideology is driving the Republican budget decisions to cut Medicare and Medicaid for the elderly, cut education for our children, cut job training for our workers, cut economic development for needy communities, and provide new tax loopholes to multi-national corporations and individual millionaires and billionaires.

In this budget resolution, Republicans have chosen to target middle-class America without at least also targeting the hundreds of billions of dollars lost to this country from corporate welfare and tax loopholes which benefit the wealthy. Both liberal and conservative interest groups have recently put forth detailed and comprehensive studies of corporate welfare programs and which should be eliminated. But most proposals have been completely ignored by this budget resolution.

Tax loopholes and corporate welfare are not the only things left untouched. The resolution also leaves in place wasteful defense spending and international programs like the National Endowment for Democracy that have clearly outlived their usefulness in the post-cold war era.

The Republican majority is saying in this budget it wants a balanced budget by the year 2002 and provide tax cuts to the wealthy, to fulfill a campaign promise no matter what the cost. Republicans claim that they are not cutting Medicare and Medicaid, but they are saving a total of $475 billion in the two programs over 7 years. That amount of money can be saved through prudent budgeting and not through the kind of doublespeak that has fostered the high level of cynicism and distrust of our Government.

The cost of this budget resolution is certainly tremendous. Cuts in Medicare and Medicaid could increase out-of-pocket costs to the elderly by as much as $1,000 per year. Business would be forced to cut health insurance to workers because of higher premiums from cost-shifting by medical care providers. More working families will be forced to drop health insurance altogether.

For hospitals who have a disproportionate amount of Medicare and Medicaid patients, many will be forced to close. In my district, there are a number of hospitals where the percentage of patients served by Medicare and Medicaid exceed 60 percent. A full 61 percent of Palmerton Hospital patients, 69 percent of patients at Mercy Hospital in Nan-ticoke, and a staggering 84 percent of Shamokin Area Community Hospital patients are served by these programs. I do not think it is realistic to believe we can impose a 25 percent cut on these hospitals and have them still remain viable.

Many hospitals will be forced to shift costs to persons who have insurance because of the
these cuts. As a result, more small businesses will be forced to cut, or eliminate insurance altogether for employees. More and more working families will be forced to choose between buying insurance and paying rent. I already have more than 53,000 persons in my district without health care coverage. How many more of my constituents will lose health care coverage because of short-sighted Federal policies and inaction on health care reform?

Sadly, even with the largest budget cuts coming in the Medicare Program under the Republican plan, we do not even know in what direction they want to take the program. Under normal budget processes, it would be the job of the Committee on Ways and Means to decide precisely how to make the necessary changes to the program to achieve savings. Yet the Republican leadership is trying to pass legislation that would require someone else to do their dirty work. They are trying to pass the buck to a group of unelected Medicare Trustees who never, until this Republican Congress, was thought to have the responsibility to make decisions on preserving the solvency of the Medicare trust fund.

In another critically important budget area, Republicans are proposing to eliminate most of the meager amounts this country spends directly on economic development. The budget proposes to eliminate two agencies that play a critical role in economic development—the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC]. We spend less on these two agencies combined than we do on one B-2 bomber.

What have these two agencies done recently for northeastern Pennsylvania? The EDA has provided money to help build new buildings in Nanticoke, Wilkes-Barre, and Hazleton, that serve as essential anchors for economic development and revival in these struggling towns. Substantial EDA assistance is in the pipeline for expansion of an industrial park in Luzerne County.

The EDA and the ARC help northeastern Pennsylvania and other regions of the country that make decisions on how to attract scarce private economic development assistance. Without this type of public assistance, smaller areas will either have to raise money themselves, which many cannot, or seek assistance from States, where budgets are already stretched thin. If we eliminate the EDA and the ARC, along with cutting community development block grants and local housing assistance, small economic markets will be at an even greater disadvantage tomorrow than they are today.

Instead of saving economic development funds from cuts, Republicans provide more tax cuts and loopholes to the wealthy. Billions of dollars in new tax writeoffs are being offered to rich corporations. People making more than $100,000 a year are being provided the opportunity to invest in tax-free retirement accounts and receive massive tax reductions on capital gains from the sale of stocks and bonds. In all, the wealthiest Americans will receive a tax break of over $20,000 under the Republican tax proposals, while the average tax break for middle-income families will be only $555.

Mr. Chairman, I urge the House to reject this mean-spirited attack on the health benefits of America’s seniors. It used to be said of French voters that it used to be said of French voters that inflation tamers keep winning elections and inflation tamers in countries such as Argentina, Brazil, and Peru continue to win election or reelection. These leaders took steps to avoid imposing national bankruptcy. A steady-state Federal budget for the United States would not only be destructive, the destruction that it would cause would be our responsibility if we do not act now. The sacrifice that will be required now is minimal when we compare it with what would be required later if we do not act.

We are not talking about the actual cutbacks in the size of the public sector and the recessionary increases in taxes that Latin American-style shock therapies after meltdown has entailed.

If we act now, we need only reduce the rate of growth of the Federal Government. We are at a fork in the road of our national destiny. If we embark upon the road sought by those who want to maintain the status quo, if we adopt the position of the ostrich and continue to hide our head in the sand, as the administration has done by not submitting a budget that is balanced at any time in the future, we will be doing an extraordinary disservice to our children and to their children.

Again, thank you, Mr. Chairman, and I urge a “yea” vote on the Kasich budget resolution.

[From the Miami Herald, May 16, 1995]
re-elections. It's a remarkable departure from common wisdom, which until recently maintained that the extreme fiscal severity of anti-inflation "shock therapy" would induce a back-lashing of voter sentiment against the government.

That assumption was wrong. Once severe fiscal measure are implemented, Latin Americans have endured their high, recessionary rates with remarkable fortitude.

Nowhere was this clearer than in Brazil's presidential election last year, where former finance minister Fernando Henrique Cardoso saw his poll ratings soar in proportion to the success of his anti-inflation Plan Real. His charismatic leftist rival could only watch in impotence as a once-handsome lead slipped away.

Inflation-taming has been so strongly endorsed by Latin American voters that it has even conferred a thick Teflon coating on the neo-liberals of the hard-money school. Both Peru's Alberto Fujimori and Mr. Menen have emerged relatively unschristened from embarrassing political accusations, largely because of their economic successes.

But post-inflation presidents are sure to face tougher terms. Having rewarded stability and fiscal discipline for a long, difficult spell, Latin American voters will soon take up once again their long-deferred hopes of growth, better income distribution, and honest government. The inflation-fighters' success thus far makes those hopes seem more realistic than before. Before long, it will become clear that politicians can keep voters hearts only by thickening their wallets.

The CHAIRMAN. All time for general debate has expired.

Mr. KOLBE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Fox of Pennsylvania), having assumed the chair, Mr. SENESBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, had come to no resolution thereon.

(Mr. SABO asked and was given permission to proceed out of order for 1 minute.)

LEGISLATIVE PROGRAM

Mr. SABO. Mr. Speaker, I have asked unanimous consent to proceed out of order for a minute so I might inquire about plans for tomorrow.

I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I would say to the gentleman from Minnesota, I have been here for 13 years. I have always wanted to stand here and explain what the next day's schedule is, but I do not quite know what it is. We come in at 9 a.m.

Mr. SABO. Mr. Speaker, I yield to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, it is the first time that the chairman of the Committee on the Budget has not had an amendment to the bill. I believe we come in at 9 a.m. We do recess immediately after morning business there for the former Members.

And then we will resume, I presume, around 10 a.m. And we will go immediately to the three amendments, the Gephardt amendment is first, followed by the Neumann-Solomon amendment, the Black Caucus amendment. And if, of course, the president's budget with a zero deficit is printed in the Congressional Record, it would be made in order as a fourth amendment.

Mr. SABO. So the Black Caucus is the last amendment; Solomon is second.

Mr. KOLBE. Mr. Speaker, if the gentleman will continue to yield, that is correct. And we do expect a journal vote tomorrow. Mr. SABO. At 9 a.m. Mr. KOLBE. At 9 a.m., 10 a.m. The journal vote at around 10 a.m.

Mr. SABO. As it relates to the Solomon amendment, do I get the half hour in opposition to the Solomon amendment?

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, someone does. Mr. SABO. Someone does. Mr. SOLOMON. It probably will be the gentleman, Mr. Speaker.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I, as Mr. SABO asked and was given permission to proceed out of order for 1 minute.)

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1158, EMERGENCY APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-129) on the resolution (H. Res. 151), waiving points of order against the conference report to accompany the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Ms. ROSLEHTINEN] is recognized for 5 minutes.

Ms. ROSLEHTINEN. Mr. Speaker, I have asked and was given permission to proceed out of order for a minute so I might inquire about plans for tomorrow.

I yield to the gentleman from Arizona [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, when U.S. Marshal Robert Forsyth of Augusta, GA was shot and killed in January 1994 while trying to serve court papers, he became the first peace officer in the United States to die in the line of duty. Since then about 13,500 police officers from all types of law enforcement fields have fallen in the line of duty.

My district in northern Michigan has been hard hit by the all-too-common tragedy of police officer slaying. In the Upper Peninsula, which has about 3 percent of Michigan's population, 18 police officers have died since the 1920's. In 1962, President Kennedy proclaimed that for 1 week in the month of May Americans would commemorate National Police Week. National Police Week honors the service related deaths of law enforcement officers.

As a former state trooper, as an Escanaba City police officer, this week has special meaning for me. And as a former police officer and now as a legislator, I am particularly concerned about recent Republican efforts to weaken legislation designed to reduce crime in America.

In 1994, Congress passed the toughest crime bill in this Nation's history. The President's crime bill has several very important elements designed to fight crime on our streets. Most importantly, the crime bill directs that additional police officers be put on the streets to fight crime, because there is no better crime fighting tool than police officers proactively patrols our neighborhoods.

The President's plan to put 100,000 more police on America's streets represents the Federal Government's largest commitment ever to local law enforcement.

The President's plan to put 100,000 more police on America's streets represents the Federal Government's largest commitment ever to local law enforcement.

Not only do they want to scrap the President's plan to put 100,000 more police on the street, but they also intend to delete every single prevention program.

Additionally, the Republican budget measure that we debated here today